

WorldCat: Medicare and Medicaid as prudent buyers

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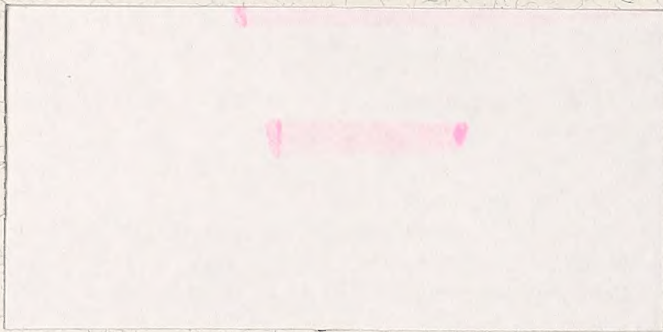
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Buyers: Trying to Get Lab
Services Wholesale

Margaret B. Sulvetta



THE URBAN INSTITUTE
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I. INTRODUCTION

A. Focus and Organization of the Paper

This paper examines the impact of "prudent buyer" or lowest charge level regulations on the Medicare and Medicaid programs in the State of California. These regulations apply to specific pathology procedures and items of durable medical equipment. Their intent is to limit payments by Medicare and Medicaid to the amount which would be paid by a prudent buyer in a given locality. Lowest charge levels were implemented in California in February 1979. The impact of these regulations as applied to twelve commonly performed pathology procedures is the focus of this paper.

A detailed explanation of the methodology for determining lowest charge levels is presented in chapter two along with a discussion of Medicare and Medicaid reimbursement procedures. Chapter three presents the relationship between lowest charge levels and Medicare customary and prevailing charges in 1980. Chapter four describes the data base and methodology and contains an analysis of the hypothetical impact of lowest charge level regulations on program and beneficiary costs in 1978.

B. Background

Pathology, or laboratory services, are broadly defined as the analysis of specimens from the human body for purposes of screening, diagnosis, or monitoring of medical conditions. The prevalence of such testing has increased significantly during the lifetime of the Medicare and Medicaid programs. Medicare reimbursements for lab services increased between 1970 and 1980 by 1097 percent, rising from \$9.4 million in 1970 to \$103.2 million in 1980.¹ By the mid-70's there were approximately 14,000 independent and

1. U.S. Department of Health and Human Services, Social Security Administration, Social Security Bulletin Annual Statistical Supplement, 1980 U.S.G.P.O., Washington, D.C. 1981, p. 200.

hospital-based clinical laboratories and 50-80 thousand medical laboratories in physicians' offices throughout the United States.² Between 1970 and 1975, the average annual increase in the number of lab tests was about 13.8 percent in hospital labs and 15.6 percent in non-hospital labs.³

Several factors contributed to this dramatic increase. First, through advances in medical knowledge, the sheer number of available tests greatly expanded. The 1964 California Relative Value Study listed approximately 200 pathology tests; by 1974, the list of procedures had grown to over 800.

Numerous technological advances brought about widespread use of automated equipment, introducing economies of scale and enhancing the ease with which multiple tests could be ordered and interpreted. With the introduction of automated analyzers, a complete blood count which takes 30-45 minutes when done manually at a cost of \$6-\$7, could be performed at the rate of one every 45 seconds at a cost of 75 cents.⁴ Multi-channel analyzers can simultaneously perform as many as 20 tests on a single sample. Many of these machines also provide a computerized readout and interpretation of the results increasing the convenience of ordering multiple tests.

Teaching hospitals increasingly treated laboratory testing as a standard medical practice so that physicians were trained to routinely order large batteries of tests. This practice was reinforced by the unique position of pathology departments within the hospital. Since hospitals are reimbursed on a cost basis, the pathology department was frequently utilized as a revenue

2. Testimony of Dr. Theodore Cooper, Assistant Secretary for Health, Department of Health and Human Services at hearings before the Subcommittee on Health, Committee on Labor and Public Welfare, U.S. Senate. September 8 and 9, 1975. Washington, D.C.

3. Harvey V. Fineberg, "Clinical Chemistries: The High Cost of Low-Cost Diagnostic Tests" in Medical Technology: The Culprit Behind Health Care Costs? Stu Altman and Robert Blendon, editors. 1977 pp. 144-165.

4. U.S. Senate, Special Committee on Aging, Subcommittee on Long-Term Care, "Fraud and Abuse Among Clinical Laboratories." U.S.G.P.O. Washington, D.C. June 15, 1976.

center subsidizing less profitable hospital departments. Internists were thus encouraged to utilize laboratory services through their educational training and were not constrained by cost considerations.⁵

In addition to the emphasis placed on laboratory services during physician training, the availability of more numerous procedures lent credence to the notion that routine testing was a desirable form of low cost preventive care which diminished the need for more expensive forms of therapeutic care. The increased coverage of testing by health insurance policies, and the increased population coverage of such policies also allowed physicians greater freedom to order tests with little regard for their patients' out-of-pocket expenditures.

Finally, in what Lundberg referred to as the "Age of Litigation,"⁶ physicians may have felt pressured to order tests as a form of supporting documentation in any subsequent malpractice suits.⁷

With the increased usage of laboratory testing came increased opportunities for fraud and abuse as well as greater public scrutiny. A 1976 Senate report highlighted numerous areas of abuse.⁸ Included among them was the use of double price lists. Such lists, promulgated by independent laboratories, include one set of charges for patients and third party payors and another set

5. See: David F. Hardwick, M.D., et. al. "Clinical Styles and Motivation: A Study of Laboratory Test Use" Medical Care. Vol. XIII No. 5. May 1975; and P.F. Griner and B. Liptzin, "Use of Laboratory Services in a Teaching Hospital: Implications for Patient Care, Education, and Hospital Costs." Annals of Internal Medicine Vol. 75. 1971.

6. George D. Lundberg, M.D. "Pathology" Journal of the American Medical Association, March 30, 1977. Vol. 241 No. 13 p. 1382.

7. There is counter evidence, however, that defensive medicine was not the cause of increased laboratory use. See: Bradley G. Wertman, M.D., et. al., "Why Do Physicians Order Laboratory Tests?" Journal of American Medical Association, Vol. 243 No. 20. May 23/30, 1980. pp. 2080-2082.

8. U.S. Senate, Special Committee on Aging, Subcommittee on Long-Term Care, "Fraud and Abuse Among Clinical Laboratories." U.S.G.P.O., Washington, D.C. June 15, 1976.

of lower charges (more closely linked to costs) for physicians. Labs could thus compete for the testing services physicians order and physicians could in turn take large mark-ups on the prices they charged their patients.

Until passage of Public Law 96-499 on December 5, 1980, physicians were not permitted to bill Medicaid for services provided by an outside laboratory. Currently, Medicaid physician reimbursement is limited to the outside laboratory's charge plus a collection and handling fee. However, outside audits of claims in Alabama, California and Louisiana have revealed instances of physician mark-ups (independent of collection and handling fees) on services performed at outside laboratories.⁹ The State of California held hearings on proposed regulations to reduce its maximum allowances on Medicaid fees and to tighten existing price discrimination prohibitions. These regulations would have resulted in an estimated savings of \$4.1 million annually. However, according to State representatives, the regulations were never issued because of pressure from providers.¹⁰

Some states enacted legislation prohibiting physicians from charging their patients more than they themselves were charged. California enacted a charge disclosure law, (AB1717), which became effective in November 1970. The law required physicians to notify patients of the charges and location of tests performed at an outside laboratory. While the law was intended to discourage large mark-ups and encourage physicians to pass on the economies of scale available through automated equipment, enforcement was difficult at best.¹¹ Section 918(a) of the 1980 Reconciliation Act required physicians to

9. Office of Audit, Office of Inspector General, Department of Health and Human Services, "Despite Years of Attention: Clinical Laboratories Still Cost Medicaid/Medicare Too Much," March 1982, p. 15.

10. Ibid. p. 6.

11. Richard M. Bailey, "An Economic Interpretation of the Evolution of Clinical Laboratories in California" November 1979. pp. 42-43.

report laboratory charges on their bills to enable carriers to include these discounted charges in the calculation of reasonable fees.

Physicians with their own office based laboratories could continue to take large mark-ups and despite the implementation of the Reconciliation Act provision, those who continued to use outside laboratories could engage in various other revenue-raising arrangements with the labs. The Senate study outlined several of these schemes. They included laboratories paying physicians as consultants, labs paying "rent" for unused space in physician's offices (where the "rent" was based on the physicians test volume) and payment of salaries for physicians' employees by the independent lab.

The incentives and opportunities cited above for multiple pricing for a given service prompted the implementation of lowest charge level regulations. These regulations state that for selected services which do not vary significantly in quality across suppliers, Medicare Part B and Medicaid will not reimburse above the lowest charge level available in a locality. The methods used to determine and implement these lowest charge levels are discussed in the following chapter.

II. MEDICARE/MEDICAID REIMBURSEMENT PROCEDURES AND IMPLEMENTATION OF LOWEST CHARGE LEVEL REGULATIONS

A. Reimbursement Under Medicare and Medicaid

All services other than hospital inpatient services are reimbursed under Part B of the Medicare program. Therefore, all pathology services performed in a physician's office, independent laboratory, hospital outpatient department or clinic would be covered under Medicare Part B.

Such services are reimbursed according to a system of customary, prevailing, and reasonable charges. A customary charge is a physician's median charge for a given procedure in the calendar year preceding the current fee screen year. The prevailing charge is the 75th percentile of median charges weighted by the number of services for physicians in a geographic area for the prior calendar year. The reasonable amount, which is the amount paid, is the lowest of the customary, prevailing and actual billed amount. Specialty specific profiles were not developed for pathology procedures except in 1976, so that unlike medicine and surgery, prevailing amounts for pathology procedures vary only by area. In addition, the economic index program did not apply to pathology procedures.

Medicare reimbursement policy, until recently, excluded laboratory charges to physicians in determining prevailing charges. This policy was established because of the belief that laboratories provide a different service to patients than to referring physicians. The underlying rationale was that referring physicians generally collect the specimen from the patient while the lab is responsible for collecting the specimen from walk-in patients. Therefore the services provided to the walk-in patient and the referring physician are not comparable services and the greater charge for patients is justified. This argument is supported by the fact that laboratories generally bill separately for collection and handling of specimens.

For covered services, Medicare Part B will pay 80 percent of the reasonable amount after an annual deductible of sixty dollars. Physicians and other providers may provide Medicare services on either an assigned or non-assigned basis. If a provider accepts assignment on a given claim, he agrees to accept the reasonable amount as payment in full. The provider submits the bill directly to the Medicare carrier and bills the patient for the 20 percent coinsurance amount plus any unpaid deductible. If the provider refuses assignment, he bills only the patient. The patient must then pay the bill in full and recover from Medicare the amount equal to eighty percent of the reasonable less any unpaid deductible.

Medicaid, called MediCal in California, used a similar reimbursement system until September 1976 when a statewide fee schedule was introduced thus eliminating all interprovider differences in fees. In setting the uniform fee schedule, the state determined the average rates it was paying for each procedure, and applied rate increases to each procedure. In addition to the 1976 change, a 7.7 percent increase in pathology fees was allowed in 1977.

The State of California buys Medicare Part B coverage for its aged Medicaid recipients. Physicians are required to accept assignment on services provided to aged Medicaid patients. Services to joint Medicare/Medicaid recipients are therefore referred to as mandatory assigned services. In such instances, the physician bills the Medicaid program for the coinsurance and deductible rather than billing the patient.

Non-aged Medicaid recipients are not required to pay any coinsurance or deductible amount. Providers of services to Medicaid recipients must accept the Medicaid fee as payment in full.

B. Implementation of Lowest Charge Level Regulations

Effective July 1, 1978, the reasonable charge methodology was modified to include the additional limiting factor of the lowest charge level (LCL). This modification was applicable to specific pathology procedures and items of durable medical equipment. It was authorized by Section 1842(b)(3) of the Social Security Act, which states that:

In the case of medical services, supplies and equipment (including equipment servicing) that in the judgement of the Secretary, do not generally vary significantly from one supplier to another, the charges incurred after December 31, 1972 determined to be reasonable may not exceed the lowest charge levels at which such services, supplies, and equipment are widely and consistently available in a locality except to the extent and under the circumstances specified by the Secretary.

In addition, Section 1903(i) of the Act specifies that Federal financial participation will not be made under the Medicaid program to the extent that the Medicaid payment exceeds the reasonable charge determined according to Section 1842(b)(3) cited above.¹²

The lowest charge level is defined as "the lowest charge that is high enough to include the cumulative 25th percentile in the distribution of actual submitted charges for the particular item or service in the locality (without regard to specialty) on claims processed during the second calendar quarter preceding the period for which the lowest charge level is determined."¹³

The lowest charge level (LCL) for each service is determined semi-annually. The LCL applicable to claims processed during the period January 1 through June 30 is based upon charge data derived from claims processed during the July-September period of the prior year. For claims processed during July 1 - December 31, the LCL is based on claims processed during the January 1 - March 31 period of the same year.

12. This was amended later by the 1981 Omnibus Reconciliation Act which gave states greater flexibility in setting Medicaid fees.

13. Department of Health and Human Services, Health Care Financing Administration, Part B Intermediary Letter No. 79-1 Dated January 1979 p. 4.



A minimum of four services from four separate providers in a locality is required to calculate a LCL. If insufficient data in a given area preclude determination of a LCL, the carrier may expand its locality delineations.

Table 2, below, presents an example of the LCL methodology for procedure x in locality y.

Table 2
Sample Calculation of Lowest Charge Level
January - June, year t

Actual Charges July - Sept., year $t-1$	Frequency	Cumulative Frequency	Cumulative Percent
\$2.80	1	1	6.25
3.00	3	4	25.00
3.50	1	5	31.25
4.00	5	10	62.50
4.50	1	11	68.75
5.00	3	14	87.50
8.00	1	15	93.75
8.40	1	16	100.00

In the above example, the fourth charge (one of the charges at \$3.00) is high enough to include the price charged for procedure x in locality y in one of every four claims. The lowest charge level is therefore set at \$3.00.

The methodology for determining the reasonable amount for Medicare Part B under LCL regulations, is the minimum of the:

- 1) Actual billed amount;
- 2) Customary charge;
- 3) Prevailing charge;
- 4) Lowest charge level;
- 5) Carrierwide 75th percentile of the charges made for a test by independent laboratories to physicians (when a physician bills for a test performed by an independent laboratory); and
- 6) Charge applicable for a comparable service and under comparable circumstances to the carrier's private program policyholders and subscribers.¹⁴

The initial implementation of the LCL regulations applied to the twelve commonly performed laboratory procedures listed below. Performance and quality differences across providers were assumed to be minimal since most laboratories use the same methods to perform these tests.

- 1) 81000 Routine, complete urinalysis
- 2) 82465 Total cholesterol
- 3) 82947 Glucose, except urine
- 4) 84520 Urea nitrogen (BUN)
- 5) 84550 Uric acid, chemical
- 6) 85014 Hematocrit
- 7) 85018 Hemoglobin, colorimetric
- 8) 85031 Manual complete blood count (CBC)
- 9) 85048 White blood cell (WBC)
- 10) 85610 Prothrombin time
- 11) 85650 Sedimentation time (ESR) Wintrobe type
- 12) 88150 Smears (Papanicolaou type)

Our analysis is confined to the impact of LCL regulations as applied to these twelve tests.

14. "Part B Intermediary Letter", January 1979, p. 5.

III. RELATIONSHIP OF LOWEST CHARGE LEVELS TO CUSTOMARY AND PREVAILING CHARGES, 1980

Lowest charge level regulations were implemented to control rising program costs for pathology services, just as the Medicare Economic Index attempted to control physician services costs. The key difference, however, is the multiple pricing without apparent product differences which exists for pathology services. The major distinction was not that some prices were too high, but that prices in the Medicare and Medicaid markets were higher than in other more competitive markets. As previously noted, laboratories offer physicians more competitive prices than those charged third party or private payors. The lowest charge level regulations were thus designed so that public programs could capture the savings possible by paying the more competitive price.

One measure of the degree to which reimbursements are constrained by the LCL regulations is the ratio of average customary charges and prevailing charges to the lowest charge level. These ratios are presented in tables 3 through 14.

Customary and prevailing charge files for 1980 were obtained from Blue Shield of California, as were the lowest charge levels in effect from January 1980 through June 1980. The customary file contains for each provider and procedure, the number of services provided Medicare, Medicaid or Blue Shield beneficiaries in 1978 and customary charge. The prevailing file contains a prevailing charge for each procedure for a given area and specialty. As previously noted, specialty specific profiles were not developed for pathology procedures. The selected specialties shown in tables 3 through 14 are those which provided a high volume of pathology services. The average customary charge for a procedure and PSRO combination was obtained by weighting customaries for each physician by the number of services on the customary charge file.

TABLE 3

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 81000: ROUTINE COMPLETE URINALYSIS

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	5.00	5.10	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.0720	1.1020	1.0660	1.1100	1.0400	1.4100	1.1460	1.2500	1.1800	1.0220	1.0340	1.1540	1.0540	1.1260
PREVAILING/LCL	1.2800	1.3725	1.4000	1.4000	1.2500	1.4000	1.3000	1.6000	1.4000	1.2000	1.4000	1.2200	1.2000	1.2500
NUMBER OF SERVICES	5226	4613	7440	11937	11853	18594	14373	10394	20302	30566	4048	23787	7724	48362
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.1700	1.1078	1.0560	1.6960	1.2220	1.1960	1.1880	1.1680	1.1740	1.0720	1.0320	1.1240	1.1160	1.1640
PREVAILING/LCL	1.2800	1.3725	1.4000	1.4000	1.2500	1.4000	1.3000	1.6000	1.4000	1.2000	1.4000	1.2200	1.2000	1.2500
NUMBER OF SERVICES	3205	3115	1926	7157	4282	5741	2467	4242	5153	12516	1833	6324	5984	16353
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.1500	1.0902	1.2580	1.1160	1.1780	1.2220	1.0460	1.3760	1.1760	1.0000	1.2560	1.2000	1.0400	1.0920
PREVAILING/LCL	1.2800	1.3725	1.4000	1.4000	1.2500	1.4000	1.3000	1.6000	1.4000	1.2000	1.4000	1.2200	1.2000	1.2500
NUMBER OF SERVICES	8653	3488	4504	8673	11617	18741	6078	9278	11841	17784	47067	14975	7030	19452
UROLOGY														
AVERAGE CUSTOMARY/LCL	1.1400	1.1137	1.1540	0.9560	1.0540	1.1740	1.0280	1.2880	1.0760	1.1120	1.1440	1.1440	1.0440	1.0560
PREVAILING/LCL	1.2800	1.3725	1.4000	1.4000	1.2500	1.4000	1.3000	1.6000	1.4000	1.2000	1.4000	1.2200	1.2000	1.2500
NUMBER OF SERVICES	11981	3516	5044	3853	8458	12765	13838	6864	12583	21991	30262	17901	11586	37673
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.3360	1.1323	1.2260	0.9380	1.0440	1.1660	1.1060	1.0140	0.9340	1.0000	1.1000	0.5860	1.2060	1.1020
PREVAILING/LCL	1.2800	1.3725	1.4000	1.4000	1.2500	1.4000	1.3000	1.6000	1.4000	1.2000	1.4000	1.2200	1.2000	1.2500
NUMBER OF SERVICES	6632	2784	3545	14936	8286	25309	29392	8255	52565	67591	14892	36120	7552	19044
CLINIC														
AVERAGE CUSTOMARY/LCL	1.0940	1.3451	1.0640	1.2760	1.2740	1.1680	1.2720	1.2480	1.5400	1.1240	1.5140	1.2740	1.0580	1.2320
PREVAILING/LCL	1.2800	1.3725	1.4000	1.4000	1.2500	1.4000	1.3000	1.6000	1.4000	1.2000	1.4000	1.2200	1.2000	1.2500
NUMBER OF SERVICES	3948	12196	2855	7009	5725	8871	10873	3593	17766	17616	2311	4969	5288	28257

TABLE 4
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 82465: TCYAL CHOLESTEROL

	AREA 1 AREA 2 AREA 3 AREA 4 AREA 5 AREA 6 AREA 7 AREA 8 AREA 9 AREA10 AREA11 AREA12 AREA13 AREA14														
LOWEST CHARGE LEVELS	7.50	7.00	9.50	7.00	7.50	7.50	7.50	7.75	6.00	6.00	7.00	8.00	7.70	7.00	9.45
GENERAL PRACTICE															
AVERAGE CUSTOMARY/LCL	1.1772	1.1129	1.5258	1.1686	0.9507	1.0640	1.2619	1.3450	1.2967	1.2114	1.0138	1.0000	1.1314	1.1314	1.1365
PREVAILING/LCL	1.3333	1.3571	1.4737	1.4286	1.1333	1.4000	1.3548	1.3333	1.5000	1.2857	1.1250	1.0390	1.1429	1.1429	1.2698
NUMBER OF SERVICES	382	187	60	209	35	49	361	42	465	298	119	46	293	293	356
FAMILY PRACTICE															
AVERAGE CUSTOMARY/LCL	1.2480	1.2600	1.1421	1.0743			1.2774	1.3333	1.3333			1.1688	1.0000		
PREVAILING/LCL	1.3333	1.3571	1.4737	1.4286			1.3548	1.3333	1.5000			1.0390	1.1429		
NUMBER OF SERVICES	36	44	95	49			104	27	22			4	6		
INTERNAL MEDICINE															
AVERAGE CUSTOMARY/LCL	1.1573	1.0000	0.9316	1.4643	1.0853	1.2867	1.1652	1.4783	1.1500	1.0329	0.9338	1.0221	0.8214	0.5534	
PREVAILING/LCL	1.3333	1.3571	1.4737	1.4286	1.1333	1.4000	1.3548	1.3333	1.5000	1.2857	1.1250	1.0390	1.1429	1.2698	
NUMBER OF SERVICES	122	502	51	205	654	539	557	19	1032	135	258	97	3	369	
UROLOGY															
AVERAGE CUSTOMARY/LCL															
PREVAILING/LCL															
NUMBER OF SERVICES															
INDEPENDENT LABORATORY															
AVERAGE CUSTOMARY/LCL	0.9627	1.1586	0.9832	1.1914	1.0387	1.1520	1.1200	1.1667	1.3133	1.1671	1.1313	1.0091	1.1071	0.9714	
PREVAILING/LCL	1.3333	1.3571	1.4737	1.4286	1.1333	1.4000	1.3548	1.3333	1.5000	1.2857	1.1250	1.0390	1.1429	1.2698	
NUMBER OF SERVICES	440	199	72	566	284	329	589	450	258	102	1300	252	242	93	
CLINIC															
AVERAGE CUSTOMARY/LCL	1.4240	1.4200	1.2705	1.3166	1.0067	0.9893	1.0865		1.3483	1.0086	1.2175	1.0208	1.0000	1.1958	
PREVAILING/LCL	1.3333	1.3571	1.4737	1.4286	1.1333	1.4000	1.3548		1.5000	1.2857	1.1250	1.0390	1.1429	1.2698	
NUMBER OF SERVICES	86	207	254	169	41	27	171		547	232	64	164	176	328	

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 82465: TOTAL CHOLESTEROL

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	6.00	5.00	4.50	7.00	6.00	7.00	7.00	8.50	7.50	6.00	8.00	7.00	6.00	7.50
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4300	1.7920	2.1933	1.2014	1.3267	1.2143	1.3057	1.0447	1.2160	1.5583	1.1863	1.2129	1.3217	1.1093
PREVAILING/LCL	1.5000	2.4000	2.2222	1.2857	1.6667	1.4286	1.4286	1.1765	1.3333	1.6667	1.2500	1.3571	1.5000	1.2667
NUMBER OF SERVICES	207	70	119	888	342	1568	440	371	1405	1672	930	1472	742	2067
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4250	1.7900	1.5289	1.4214	1.6200	1.1400	1.2429	1.1624	1.1573	1.4200	1.2250	1.2343	1.5133	1.0973
PREVAILING/LCL	1.5000	2.4000	2.2222	1.2857	1.6667	1.4286	1.4286	1.1765	1.3333	1.6667	1.2500	1.3571	1.5000	1.2667
NUMBER OF SERVICES	376	160	20	253	362	330	289	194	699	190	267	178	548	721
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.1850	1.7020	2.0111	1.0600	1.2783	1.1786	1.1129	1.0424	1.1427	1.2267	1.1213	1.1557	1.1633	1.0587
PREVAILING/LCL	1.5000	2.4000	2.2222	1.2857	1.6667	1.4286	1.4286	1.1765	1.3333	1.6667	1.2500	1.3571	1.5000	1.2667
NUMBER OF SERVICES	552	133	215	1460	2630	3819	702	950	2120	1930	15476	1048	1657	2610
UROLOGY														
AVERAGE CUSTOMARY/LCL									1.2000		1.0363			2.0000
PREVAILING/LCL									1.3333		1.2500			1.2667
NUMBER OF SERVICES									2		7			3
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.4482	1.6460	1.9111	1.0214	1.1800	1.0657	1.0971	0.9224	0.9960	1.1583	1.0350	1.0071	1.5300	1.0480
PREVAILING/LCL	1.5000	2.4000	2.2222	1.2857	1.6667	1.4286	1.4286	1.1765	1.3333	1.6667	1.2500	1.3571	1.5000	1.2667
NUMBER OF SERVICES	381	171	216	686	2156	2300	1134	706	1536	2252	1621	2436	499	1067
CLINIC														
AVERAGE CUSTOMARY/LCL	1.2650	2.4040	1.5556	1.1414	1.8150	1.4129	1.4214	1.3094	1.4280	1.8233	1.2325	1.2514	1.4382	1.1827
PREVAILING/LCL	1.5000	2.4000	2.2222	1.2857	1.6667	1.4286	1.4286	1.1765	1.3333	1.6667	1.2500	1.3571	1.5000	1.2667
NUMBER OF SERVICES	107	224	5	516	181	575	256	790	983	1076	415	184	221	1122

TABLE 5

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 82947: GLUCOSE, EXCEPT URINE

	AREA 1	AREA 2	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9	AREA10	AREA11	AREA12	AREA13	AREA14
LOWEST CHARGE LEVELS	6.75	8.50	7.00	7.00	7.00	7.00	8.00	7.15	7.00	7.00	7.50	7.00	7.00	5.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.2000	1.0024	1.1486	1.1157	0.9657	1.1214	1.1875	1.1776	1.0314	1.1500	1.1280	1.1543	1.0857	1.1000
PREVAILING/LCL	1.4815	1.1765	1.4286	1.1429	1.2857	1.2857	1.2500	1.2587	1.2857	1.2857	1.3333	1.2857	1.1429	1.2778
NUMBER OF SERVICES	511	1786	735	1262	424	424	1540	560	875	3162	652	1019	2375	2572
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4815	1.0294	1.3714	0.9886	0.8571		1.1275	0.8811	1.0900	0.5814	1.2800	1.1800	1.0000	0.8500
PREVAILING/LCL	1.4815	1.1765	1.4286	1.1429	1.2857		1.2500	1.2587	1.2857	1.2857	1.3333	1.2857	1.1429	1.2778
NUMBER OF SERVICES	298	641	384	1328	74		605	364	246	196	174	54	76	86
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.2132	0.8565	1.2400	1.0443	1.1443	1.2457	1.1438	1.1189	1.0225	1.0800	1.2133	1.0529	1.1186	1.0544
PREVAILING/LCL	1.4815	1.1765	1.4286	1.1429	1.2857	1.2857	1.2500	1.2587	1.2857	1.2857	1.3333	1.2857	1.1429	1.2778
NUMBER OF SERVICES	312	332	501	225	2355	1157	3142	553	1462	65	656	855	259	1485
URCLCGY														
AVERAGE CUSTOMARY/LCL							0.8750				1.0667		0.7778	
PREVAILING/LCL							1.2500				1.3333		1.2778	
NUMBER OF SERVICES							23				3		6	
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.2311	1.0141	1.1757	0.9514	1.1571	1.2286	1.0125	1.0322	1.0786	1.1971	1.1120	1.1700	1.0586	1.0323
PREVAILING/LCL	1.4815	1.1765	1.4286	1.1429	1.2857	1.2857	1.2500	1.2587	1.2857	1.2857	1.3333	1.2857	1.1429	1.2778
NUMBER OF SERVICES	1177	1855	786	7197	2226	2652	8314	5043	4328	1742	6976	1727	2265	1844
CLINIC														
AVERAGE CUSTOMARY/LCL	1.4044	1.0976	1.3257	1.2829	1.0600	1.0857	0.9725	1.0238	1.0914	1.0957	1.2773	0.5829	1.0000	1.1585
PREVAILING/LCL	1.4815	1.1765	1.4286	1.1429	1.2857	1.2857	1.2500	1.2587	1.2857	1.2857	1.3333	1.2857	1.1429	1.2778
NUMBER OF SERVICES	540	1030	555	1468	560	590	775	632	1884	1472	1071	1541	1702	771

TABLE 5
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 82947: GLUCOSE, EXCEPT URINE

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	7.50	7.00	5.40	7.00	7.00	6.25	8.00	6.50	7.00	7.50	8.00	7.00	7.00	7.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.1120	1.1571	1.5481	1.1400	1.2557	1.3728	1.1163	1.4169	1.2071	1.1227	0.9825	1.2329	1.0943	1.1900
PREVAILING/LCL	1.2000	1.5000	1.8519	1.2857	1.4286	1.5360	1.1250	1.5385	1.4286	1.2000	1.2500	1.2857	1.2857	1.2857
NUMBER OF SERVICES	1294	424	1040	4417	2589	4713	4186	3290	6122	6824	2375	6071	5560	10100
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.0933	1.1343	1.5204	1.1600	1.2171	1.2544	1.0713	1.3915	1.2286	1.0360	1.2163	1.0157	1.2171	1.1714
PREVAILING/LCL	1.2000	1.5000	1.8519	1.2857	1.4286	1.5360	1.1250	1.5385	1.4286	1.2000	1.2500	1.2857	1.2857	1.2857
NUMBER OF SERVICES	743	531	162	1736	868	1600	786	450	1814	1922	633	1448	1843	3519
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	0.9067	1.0171	1.6759	1.0371	1.1671	1.2880	0.9650	1.2621	1.1586	1.0067	1.0825	1.1500	1.0343	1.0629
PREVAILING/LCL	1.2000	1.5000	1.8519	1.2857	1.4286	1.5360	1.1250	1.5385	1.4286	1.2000	1.2500	1.2857	1.2857	1.2857
NUMBER OF SERVICES	1889	1316	1130	2986	7564	7742	2440	2582	5558	6066	30121	5080	3259	7961
URCLCGY														
AVERAGE CUSTOMARY/LCL	1.4667	1.2029	1.2963				1.0888	1.5385	1.0714	1.1253	0.8838			1.3871
PREVAILING/LCL	1.2000	1.5000	1.8519				1.1250	1.5385	1.4286	1.2000	1.2500			1.2857
NUMBER OF SERVICES	4		12				28	3	8	17	224			162
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.2132	1.2029	1.5444	1.0029	0.9200	1.0432	1.0088	1.0277	0.9557	0.9120	0.9388	1.0229	1.1914	1.0514
PREVAILING/LCL	1.2000	1.5000	1.8519	1.2857	1.4286	1.5360	1.1250	1.5385	1.4286	1.2000	1.2500	1.2857	1.2857	1.2857
NUMBER OF SERVICES	5966	2246	3252	5134	3649	17277	16055	2041	8100	23123	3969	16185	3222	8764
CLINIC														
AVERAGE CUSTOMARY/LCL	1.0452	1.5714	1.2611	1.1443	1.2029	1.6064	1.1888	1.6138	1.4871	1.1587	1.2163	1.2671	1.1486	1.2129
PREVAILING/LCL	1.2000	1.5000	1.8519	1.2857	1.4286	1.5360	1.1250	1.5385	1.4286	1.2000	1.2500	1.2857	1.2857	1.2857
NUMBER OF SERVICES	1856	2556	161	2754	1692	2166	3454	1560	4477	6359	1650	1670	1740	5915

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 84520: UREA NITROGEN

AREA 1 AREA 2 AREA 3 AREA 4 AREA 5 AREA 6 AREA 7 AREA 8 AREA 9 AREA 10 AREA 11 AREA 12 AREA 13 AREA 14

LOWEST CHARGE LEVELS

6.75 7.00 10 8.00 7.00 6.00 8.00 8.00 5.66 8.00 9.00 8.00 7.00 9.00

GENERAL PRACTICE

AVERAGE CUSTOMARY/LCL

1.3881 1.0571 0.7000 1.1475 0.9371 1.2083 1.0350 1.0000 1.2615 1.0488 0.8833 1.0000 1.0843 1.1300

PREVAILING/LCL

1.7778 1.3571 1.4000 1.1563 1.2857 1.7500 1.1875 1.1250 1.5901 1.0000 1.0556 1.0000 1.1429 1.1667

NUMBER OF SERVICES

82 361 4 189 61 16 45 26 53 148 50 12 120 193

FAMILY PRACTICE

AVERAGE CUSTOMARY/LCL

1.5170 1.3271 0.8425 1.2500 1.5901 1.1033 1.0000

PREVAILING/LCL

1.7778 1.3571 1.1563 1.1875 1.5901 1.0556 1.1429

NUMBER OF SERVICES

41 28 47 95 3 59 34

INTERNAL MEDICINE

AVERAGE CUSTOMARY/LCL

1.1393 1.0000 0.8630 1.1750 1.1800 1.4950 1.0539 1.4117 1.0188 0.6956 0.5888 1.0000 1.0644

PREVAILING/LCL

1.7778 1.3571 1.4000 1.1563 1.2857 1.7500 1.1875 1.5901 1.0000 1.0556 1.0000 1.1429 1.1667

NUMBER OF SERVICES

26 315 10 66 412 250 427 462 43 86 23 8 156

URCLCGY

AVERAGE CUSTOMARY/LCL

0.7500 1.3125 1.0000

PREVAILING/LCL

1.1563 1.1875 1.1250

NUMBER OF SERVICES

10 4 4

INDEPENDENT LABORATORY

AVERAGE CUSTOMARY/LCL

1.3315 1.2586 0.5150 1.0488 1.1329 1.3733 1.0000 0.9900 1.4276 0.9425 0.9689 0.5713 1.0814 1.0911

PREVAILING/LCL

1.7778 1.3571 1.4000 1.1563 1.2857 1.7500 1.1875 1.1250 1.5901 1.0000 1.0556 1.0000 1.1429 1.1667

NUMBER OF SERVICES

518 245 30 960 214 107 1137 447 421 125 858 358 352 215

CLINIC

AVERAGE CUSTOMARY/LCL

1.2874 1.5525 1.1650 1.0888 1.0186 1.1567 1.0225 1.3604 0.8900 1.0589 0.9375 0.9943 1.2756

PREVAILING/LCL

1.7778 1.3571 1.4000 1.1563 1.2857 1.7500 1.1875 1.5901 1.0000 1.0556 1.0000 1.1429 1.1667

NUMBER OF SERVICES

20 230 181 328 111 32 374 177 290 57 142 673 124

TABLE 6

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 84520: UREA NITROGEN

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	6.00	5.00	8.00	7.00	6.00	6.65	7.00	8.50	7.50	7.75	8.00	6.05	7.50	6.50
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4217	1.9300	1.0638	1.0571	1.5250	1.3058	1.3800	1.0612	1.2347	1.2090	1.1425	1.4559	0.5547	1.3031
PREVAILING/LCL	1.6500	2.4000	1.1250	1.2857	1.8333	1.5038	1.2857	1.1765	1.3333	1.1613	1.2500	1.4876	1.2000	1.3846
NUMBER OF SERVICES	186	10	5	717	381	1886	522	872	801	1367	531	1308	802	1362
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4617	1.5840	1.1125	1.4343	1.3550	1.2737	1.2486	1.1541	1.2293	0.9768	1.2525	1.4926	1.1573	1.3831
PREVAILING/LCL	1.6500	2.4000	1.1250	1.2857	1.8233	1.5038	1.2857	1.1765	1.3333	1.1613	1.2500	1.4876	1.2000	1.3846
NUMBER OF SERVICES	103	39	16	198	58	324	422	189	588	940	158	186	242	484
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.0667	1.6300	1.0575	1.1000	1.2717	1.2211	1.0671	1.0871	1.2240	0.9897	1.1063	1.3157	0.9533	1.1815
PREVAILING/LCL	1.6500	2.4000	1.1250	1.2857	1.8333	1.5038	1.2857	1.1765	1.3333	1.1613	1.2500	1.4876	1.2000	1.3846
NUMBER OF SERVICES	282	114	324	771	2011	3603	265	1470	1821	2005	14202	1845	649	1790
UROLOGY														
AVERAGE CUSTOMARY/LCL	1.2783						0.9400	1.2941	1.3293	0.9961	0.8488		1.3333	1.3231
PREVAILING/LCL	1.6500						1.2857	1.1765	1.3333	1.1613	1.2500		1.2000	1.3846
NUMBER OF SERVICES	5						31	7	196	36	287		5	868
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.3517	1.6060	1.0713	1.1343	1.1917	1.0782	1.1971	0.8471	0.8247	0.9355	1.2388	1.1736	1.2653	1.1169
PREVAILING/LCL	1.6500	2.4000	1.1250	1.2857	1.8333	1.5038	1.2857	1.1765	1.3333	1.1613	1.2500	1.4876	1.2000	1.3846
NUMBER OF SERVICES	837	211	424	943	409	2507	2332	427	3556	5760	2663	3706	562	2259
CLINIC														
AVERAGE CUSTOMARY/LCL	1.2833	2.4560	0.8750	1.2514	1.7633	1.4887	1.3343	1.3694	1.5187	1.2129	1.1975	1.4959	1.2027	1.3446
PREVAILING/LCL	1.6500	2.4000	1.1250	1.2857	1.8333	1.5038	1.2857	1.1765	1.3333	1.1613	1.2500	1.4876	1.2000	1.3846
NUMBER OF SERVICES	82	62	3	243	589	821	382	153	1065	2293	409	247	272	916

PATIENTS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 84550: URIC ACID, BLOOD, CHEMICAL

	AREA 1	AREA 2	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9	AREA 10	AREA 11	AREA 12	AREA 13	AREA 14
LOWEST CHARGE LEVELS	7.00	8.00	7.00	8.00	7.00	7.50	8.00	8.00	7.00	7.00	8.00	7.50	7.00	9.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.3457	1.0725	1.1757	1.0225	0.9114	1.0440	1.1575	0.9975	1.1157	1.2143	0.8925	1.0547	1.1114	1.1578
PREVAILING/LCL	1.4286	1.1875	2.0000	1.1250	1.1429	1.2000	1.2500	1.0938	1.2857	1.4286	1.2500	1.0667	1.1429	1.3333
NUMBER OF SERVICES	132	220	35	436	20	26	195	26	88	267	131	19	135	322
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.3986	1.0688	1.4186	1.0300			1.1500	1.0000	1.1643		1.2500	1.0667	0.8571	1.1111
PREVAILING/LCL	1.4286	1.1875	2.0000	1.1250			1.2500	1.0938	1.2857		1.2500	1.0667	1.1429	1.3333
NUMBER OF SERVICES	53	62	21	55			173	21	41		8	6	79	3
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.1314		1.4657	1.1000	1.1257	1.1653	1.1850	1.2338	1.0871	1.1786	1.0025	1.0307		1.1900
PREVAILING/LCL	1.4286		2.0000	1.1250	1.1429	1.2000	1.2500	1.0938	1.2857	1.4286	1.2500	1.0667		1.3333
NUMBER OF SERVICES	42		41	106	445	485	478	52	271	51	71	101		123
UROLOGY														
AVERAGE CUSTOMARY/LCL														
PREVAILING/LCL														
NUMBER OF SERVICES														
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.0714	1.1350	1.2200	1.0625	1.1429	1.1173	1.0300	0.9263	1.1157	1.1471	1.1238	0.5773	1.1643	1.0144
PREVAILING/LCL	1.4286	1.1875	2.0000	1.1250	1.1429	1.2000	1.2500	1.0938	1.2857	1.4286	1.2500	1.0667	1.1429	1.3333
NUMBER OF SERVICES	217	440	242	521	283	331	602	545	282	243	686	268	65	265
CLINIC														
AVERAGE CUSTOMARY/LCL	1.3929	1.0750	1.7814	1.1325	0.9329	0.5853	1.0275	0.8750	1.0786	1.1157	1.2188	0.9227	0.9929	1.2689
PREVAILING/LCL	1.4286	1.1875	2.0000	1.1250	1.1429	1.2000	1.2500	1.0938	1.2857	1.4286	1.2500	1.0667	1.1429	1.3333
NUMBER OF SERVICES	174	355	212	260	87	37	82	4	339	118	61	310	213	142

TABLE 7
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 84550: URIC ACID, BLOOD, CHEMICAL

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	6.00	5.00	7.00	7.00	6.00	7.00	7.00	9.00	8.00	7.00	8.00	6.00	7.50	7.50
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4567	1.7440	1.2529	1.1100	1.4817	1.2057	1.3414	1.0222	1.1350	1.2414	1.0988	1.5483	0.5453	1.0627
PREVAILING/LCL	1.5000	2.4000	1.4286	1.4286	1.6667	1.4286	1.4286	1.1111	1.2500	1.2857	1.2500	1.6667	1.3333	1.2000
NUMBER OF SERVICES	340	52	84	656	254	1762	683	557	1267	1619	562	928	495	3043
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.3200	1.9240	0.8571	1.2071	1.4750	1.1543	1.1643	1.0878	1.1150	1.1729	1.2275	0.9917	1.2507	1.1452
PREVAILING/LCL	1.5000	2.4000	1.4286	1.4286	1.6667	1.4286	1.4286	1.1111	1.2500	1.2857	1.2500	1.6667	1.3333	1.2000
NUMBER OF SERVICES	191	55	71	872	55	260	150	212	737	319	294	382	507	768
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.1167	1.3740	1.2500	1.0243	1.2683	1.1886	1.0157	0.9233	1.0875	1.0586	1.1025	1.3933	0.9533	1.0373
PREVAILING/LCL	1.5000	2.4000	1.4286	1.4286	1.6667	1.4286	1.4286	1.1111	1.2500	1.2857	1.2500	1.6667	1.3333	1.2000
NUMBER OF SERVICES	795	527	143	1331	1283	2559	482	1182	1260	1766	16848	847	627	1852
UROLOGY														
AVERAGE CUSTOMARY/LCL							1.0000		1.2350	1.0000	0.8888	1.1667		1.0360
PREVAILING/LCL							1.4286		1.2500	1.2857	1.2500	1.6667		1.2000
NUMBER OF SERVICES							3		24	4	225	8		22
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.4667	1.5980	1.2357	1.0171	1.2133	1.0129	1.0486	0.7400	0.8088	0.9900	1.0025	1.1550	1.2547	0.9812
PREVAILING/LCL	1.5000	2.4000	1.4286	1.4286	1.6667	1.4286	1.4286	1.1111	1.2500	1.2857	1.2500	1.6667	1.3333	1.2000
NUMBER OF SERVICES	607	117	418	437	353	2601	1352	635	1480	2301	1626	2680	858	1398
CLINIC														
AVERAGE CUSTOMARY/LCL	1.3782	2.2500	0.5814	1.1271	1.5767	1.3729	1.3729	1.2678	1.5313	1.2700	1.1950	1.5167	1.1332	1.1720
PREVAILING/LCL	1.5000	2.4000	1.4286	1.4286	1.6667	1.4286	1.4286	1.1111	1.2500	1.2857	1.2500	1.6667	1.3332	1.2000
NUMBER OF SERVICES	84	174	15	323	275	443	554	506	788	1453	402	302	188	891

TABLE 8
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 85C14: HEMATOLOGY

	AREA 1	AREA 2	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9	AREA 10	AREA 11	AREA 12	AREA 13	AREA 14
LOWEST CHARGE LEVELS	3.50	3.25	4.00	3.75	3.20	4.00	3.25	3.25	3.75	3.00	4.00	3.00	4.00	5.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.1343	1.4092	1.1675	1.2053	1.4875	0.8750	1.4831	1.3323	1.0853	1.3533	0.9225	1.6200	1.1475	1.1720
PREVAILING/LCL	1.4286	1.8462	1.5000	1.3333	1.0928	1.2500	1.6923	1.5385	1.3222	1.6667	1.0000	1.6667	1.0000	1.0000
NUMBER OF SERVICES	885	413	130	460	147	10	406	104	321	537	138	186	259	145
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.0571	1.9508	1.4400	1.3200		1.2500	1.1538	1.5385	1.5040	0.9733	1.0000	1.5167		
PREVAILING/LCL	1.4286	1.8462	1.5000	1.3333		1.2500	1.6923	1.5385	1.3333	1.6667	1.0000	1.6667		
NUMBER OF SERVICES	208	582	50	178		30	344	49	50	141	31	182		
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.2343	1.6369	1.3400	0.8960	1.2521	1.0150	1.5662	1.6492	1.1147	1.5500	0.8700	1.2067	0.7500	1.0240
PREVAILING/LCL	1.4286	1.8462	1.5000	1.3333	1.0938	1.2500	1.6923	1.5385	1.3333	1.6667	1.0000	1.6667	1.0000	1.0000
NUMBER OF SERVICES	95	138	261	212	223	265	1759	120	852	191	63	242	284	170
UROLOGY														
AVERAGE CUSTOMARY/LCL														
PREVAILING/LCL														
NUMBER OF SERVICES														
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.1229	1.1662	1.0800	1.0533	1.0281	1.1150	1.0923	1.0369	1.0107	1.2800	0.9975	1.5433	0.7575	0.9700
PREVAILING/LCL	1.4286	1.8462	1.5000	1.3333	1.0928	1.2500	1.6923	1.5385	1.3333	1.6667	1.0000	1.6667	1.0000	1.0000
NUMBER OF SERVICES	406	190	153	765	164	157	390	823	1402	66	1292	544	112	85
CLINIC														
AVERAGE CUSTOMARY/LCL	1.0771	1.1600	1.2125	1.0853	1.3563	1.2250	1.2246	1.6800	1.1813	1.5300	1.0000	1.1433		0.9980
PREVAILING/LCL	1.4286	1.8462	1.5000	1.3333	1.0938	1.2500	1.6923	1.5385	1.3333	1.6667	1.0000	1.6667		1.0000
NUMBER OF SERVICES	106	420	622	228	454	205	686	62	888	225	111	391		2545

TABLE 8
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 85014: HEPATOCRIT

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	4.00	3.00	6.00	3.00	3.30	3.50	3.00	3.50	4.00	3.50	3.50	3.00	3.75	3.50
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.1225	1.0267	0.7167	1.0733	1.3455	1.2914	1.5233	1.5143	1.1475	1.1400		1.7533	0.8160	1.3029
PREVAILING/LCL	1.3500	2.0000	1.1667	1.6667	1.5152	1.7143	1.6667	1.0000	1.2500	1.4286		1.6667	1.6000	1.4286
NUMBER OF SERVICES	40	108	702	124	308	232	284	33	266	570		2436	156	1460
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4100	1.8400	0.8717	2.1167	1.2667	1.5571	1.3333	1.5514	0.9625	0.9400		1.6167	1.2187	1.3114
PREVAILING/LCL	1.3500	2.0000	1.1667	1.6667	1.5152	1.7143	1.6667	1.0000	1.2500	1.4286		1.6667	1.6000	1.4286
NUMBER OF SERVICES	226	94	88	13	55	171	62	34	34	790		161	173	762
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.1800	1.4300	1.0900	1.2500	1.4570	1.2371	1.3167	1.0600	1.1475	1.1829	1.3057	1.4000	1.0667	1.2086
PREVAILING/LCL	1.3500	2.0000	1.1667	1.6667	1.5152	1.7143	1.6667	1.0000	1.2500	1.4286	1.4286	1.6667	1.6000	1.4286
NUMBER OF SERVICES	613	220	3466	248	677	1421	136	4442	654	813	1937	322	222	1070
UROLOGY														
AVERAGE CUSTOMARY/LCL														1.2000
PREVAILING/LCL														1.4286
NUMBER OF SERVICES														3
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.0000	1.3033	0.6500	0.9733	1.4333	1.3000	1.3567	1.0486	0.7500	1.0857	1.2971	1.0933	1.0027	1.1514
PREVAILING/LCL	1.3500	2.0000	1.1667	1.6667	1.5152	1.7143	1.6667	1.0000	1.2500	1.4286	1.4286	1.6667	1.6000	1.4286
NUMBER OF SERVICES	102	348	103	152	117	265	717	49	2417	766	340	3945	727	958
CLINIC														
AVERAGE CUSTOMARY/LCL	1.2550	1.5522	0.7983	1.1833	1.3970	1.3371	1.2733	1.5229	1.2725	1.6000	1.1714	1.8167	1.0267	1.1086
PREVAILING/LCL	1.3500	2.0000	1.1667	1.6667	1.5152	1.7143	1.6667	1.0000	1.2500	1.4286	1.4286	1.6667	1.6000	1.4286
NUMBER OF SERVICES	41	678	668	204	214	268	232	9	676	92	367	79	103	1061

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 85018: FEMCGLCBIN, COLORIMETRIC

	AREA 1	AREA 2	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9	AREA 10	AREA 11	AREA 12	AREA 13	AREA 14
LOWEST CHARGE LEVELS	3.50	3.75	4.00	3.40	3.00	4.00	4.00	5.00	4.00	4.00	4.00	3.00	4.00	4.80
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.3400	1.1493	1.1075	1.1735	1.2567	1.3250	1.1825	1.1260	1.0125	1.1425	0.9375	1.2667	1.0125	1.0833
PREVAILING/LCL	1.4266	1.3333	1.1250	1.3971	1.6667	1.3750	1.5000	1.0500	1.2500	1.2500	1.0000	1.6667	1.2500	1.0417
NUMBER OF SERVICES	506	805	328	701	458	287	1538	285	700	995	381	152	325	388
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	0.9971	1.0507	1.0000	1.1147	1.3333		1.1700	0.9320	1.3525	0.8375	1.0000	1.4167	1.5000	0.8333
PREVAILING/LCL	1.4266	1.3333	1.1250	1.3971	1.6667		1.5000	1.0500	1.2500	1.2500	1.0000	1.6667	1.2500	1.0417
NUMBER OF SERVICES	106	247	462	372	30		323	211	60	138	16	14	20	6
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.4542	1.2453	1.0250	1.1735	1.3400	0.9950	1.3125	1.0160	1.1575	0.7500	0.9775	1.2600		1.1375
PREVAILING/LCL	1.4286	1.3322	1.1250	1.3571	1.6667	1.3750	1.5000	1.0500	1.2500	1.2500	1.0000	1.6667		1.0417
NUMBER OF SERVICES	196	32	286	591	840	362	1142	38	175	26	89	37		147
LPCLCGY														
AVERAGE CUSTOMARY/LCL				0.8824			1.2500							
PREVAILING/LCL				1.3971			1.5000							
NUMBER OF SERVICES				23			6							
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.1342	0.9867	1.1200	1.1882	1.2133	1.1150	0.9300	0.8120	1.1725	1.1825	0.9975	1.2933	0.8525	1.0333
PREVAILING/LCL	1.4286	1.3333	1.1250	1.3571	1.6667	1.3750	1.5000	1.0500	1.2500	1.2500	1.0000	1.6667	1.2500	1.0417
NUMBER OF SERVICES	177	150	155	966	118	218	624	484	268	118	1372	827	32	312
CLINIC														
AVERAGE CUSTOMARY/LCL	1.2486	1.0000	1.3325	1.1471	1.1567	1.3175	1.0400	1.0000	1.1350	1.2550	1.0000	1.1467	1.2400	0.9917
PREVAILING/LCL	1.4286	1.3333	1.1250	1.3571	1.6667	1.3750	1.5000	1.0500	1.2500	1.2500	1.0000	1.6667	1.2500	1.0417
NUMBER OF SERVICES	57	305	345	466	98	279	527	242	769	894	440	285	267	82

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 85018: FEMCGLCBIA, COLORIMETRIC

AREA15 AREA16 AREA17 AREA18 AREA19 AREA20 AREA21 AREA22 AREA23 AREA24 AREA25 AREA26 AREA27 AREA28

LOWEST CHARGE LEVELS

4.00 3.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00 3.00 3.75 4.00 3.00 2.00 3.00

GENERAL PRACTICE

AVERAGE CUSTOMARY/LCL

PREVAILING/LCL

NUMBER OF SERVICES

1.2625 1.7067 1.0250 1.5533 1.0000 1.2250 1.1775 1.2275 1.5432 1.2800 0.9175 1.9933 2.0300 1.3967
1.3500 1.8333 1.2500 1.6667 1.3125 1.5000 1.2500 1.3750 1.6667 1.3333 1.5000 1.6667 3.0000 1.6667
561 178 1054 676 1156 1080 836 290 1039 1453 15 1785 352 2025

FAMILY PRACTICE

AVERAGE CUSTOMARY/LCL

PREVAILING/LCL

NUMBER OF SERVICES

1.7125 1.5167 1.0275 1.8500 1.3500 1.2750 1.1800 0.9850 1.7433 0.8773 1.1250 1.6833 2.2000 1.3333
1.3500 1.8333 1.2500 1.6667 1.3125 1.5000 1.2500 1.3750 1.6667 1.3333 1.5000 1.6667 3.0000 1.6667
264 184 224 61 65 300 97 24 238 784 13 356 256 957

INTERNAL MEDICINE

AVERAGE CUSTOMARY/LCL

PREVAILING/LCL

NUMBER OF SERVICES

1.1575 1.1400 1.1550 1.0633 1.2200 1.4400 1.1925 1.3100 1.3433 1.0773 0.9950 1.3333 1.8350 1.2300
1.3500 1.8333 1.2500 1.6667 1.3125 1.5000 1.2500 1.3750 1.6667 1.3333 1.5000 1.6667 3.0000 1.6667
268 36 70 1976 588 794 623 1422 505 867 1078 1708 70 747

URCLCGY

AVERAGE CUSTOMARY/LCL

PREVAILING/LCL

NUMBER OF SERVICES

0.8500 C.7500 1.6667 3.0000 1.6267
1.2500 1.3750 1.6667 3.0000 1.6667
10 3 7 6 223

INDEPENDENT LABORATORY

AVERAGE CUSTOMARY/LCL

PREVAILING/LCL

NUMBER OF SERVICES

1.0650 1.6867 1.0000 1.0800 1.1425 0.5675 1.1400 0.8225 1.0500 1.0027 1.0525 1.0367 2.1700 1.5367
1.3500 1.8333 1.2500 1.6667 1.3125 1.5000 1.2500 1.3750 1.6667 1.3333 1.5000 1.6667 3.0000 1.6667
163 316 155 212 139 318 542 53 2402 878 319 4064 406 1152

CLINIC

AVERAGE CUSTOMARY/LCL

PREVAILING/LCL

NUMBER OF SERVICES

1.1200 1.7367 0.8575 1.4500 1.2625 1.0400 1.1400 1.1275 1.6967 1.1333 0.7900 1.6833 2.0800 1.0600
1.3500 1.8333 1.2500 1.6667 1.3125 1.5000 1.2500 1.3750 1.6667 1.3333 1.5000 1.6667 3.0000 1.6667
254 571 154 353 439 705 575 317 570 893 87 65 156 2507

TABLE 10
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 85031: COMPLETE ELCCO COUNT, MANUAL

		AREA 1 AREA 2 AREA 3 AREA 4 AREA 5 AREA 6 AREA 7 AREA 8 AREA 9 AREA10 AREA11 AREA12 AREA13 AREA14													
LOWEST CHARGE LEVELS		9.00	12	10.3	10	8.00	9.25	10	10	9.50	10	10	9.00	10	10
GENERAL PRACTICE	AVERAGE CUSTOMARY/LCL	1.2389	0.8783	0.8810	1.1060	0.9563	1.0173	1.2320	1.1290	1.0558	1.3740	0.9710	1.0778	1.0000	1.3150
	PREVAILING/LCL	1.2222	1.1250	1.2683	1.1000	1.1875	1.3514	1.2500	1.2000	1.3158	1.2000	1.2000	1.1111	1.0000	1.4000
	NUMBER OF SERVICES	1214	424	233	661	230	78	1735	28	173	607	312	702	561	1421
FAMILY PRACTICE	AVERAGE CUSTOMARY/LCL	1.3000	0.5000	1.1668	0.5060	0.8649	1.0860	1.1337	0.9980	1.1111	1.0000	0.9980	1.1111	1.0000	
	PREVAILING/LCL	1.2222	1.1250	1.2683	1.1000	1.3514	1.2500	1.3158	1.2000	1.1111	1.0000	1.2000	1.1111	1.0000	
	NUMBER OF SERVICES	57	6	536	544	67	1028	26	237	66	276	237	66	276	
INTERNAL MEDICINE	AVERAGE CUSTOMARY/LCL	0.8889	0.8333	1.2537	1.0160	1.1800	1.1957	1.1260	1.1000	1.1032	0.9310	1.0860	1.2167	0.9160	1.1920
	PREVAILING/LCL	1.2222	1.1250	1.2683	1.1000	1.1875	1.3514	1.2500	1.2000	1.3158	1.2000	1.2000	1.1111	1.0000	1.4000
	NUMBER OF SERVICES	7	5	245	2131	2395	2635	3184	571	1308	764	674	573	32	1647
URCLCGY	AVERAGE CUSTOMARY/LCL					0.9250									
	PREVAILING/LCL					1.1875									
	NUMBER OF SERVICES					5									
INDEPENDENT LABORATORY	AVERAGE CUSTOMARY/LCL	0.8789	0.9258	0.9727	1.0690	1.0925	1.0714	1.0610	1.0280	1.0221	1.0130	1.1090	1.0022	0.9990	1.1800
	PREVAILING/LCL	1.2222	1.1250	1.2683	1.1000	1.1875	1.3514	1.2500	1.2000	1.3158	1.2000	1.2000	1.1111	1.0000	1.4000
	NUMBER OF SERVICES	1661	134	562	3110	6308	3195	7967	4069	1535	1113	5999	748	3068	1780
CLINIC	AVERAGE CUSTOMARY/LCL	1.5667	1.1217	1.1659	1.4800	1.2150	1.2897	1.0510	1.1010	1.1916	1.1980	1.2000	0.8689	0.9500	1.2360
	PREVAILING/LCL	1.2222	1.1250	1.2683	1.1000	1.1875	1.3514	1.2500	1.2000	1.3158	1.2000	1.2000	1.1111	1.0000	1.4000
	NUMBER OF SERVICES	164	525	1232	506	349	44	97	269	1765	1534	3	993	875	1924

TABLE 10
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 85031: COMPLETE ELCCC COUNT, MANUAL

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	10	8.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00	10	9.00	9.50	9.50
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.0170	1.2475	1.3025	1.2200	1.3175	1.2400	1.1655	1.2575	1.2725	1.5329	1.0290	1.1122	1.0305	1.1211
PREVAILING/LCL	1.2000	1.7500	1.5000	1.4286	1.5000	1.5000	1.3095	1.5000	1.8750	1.5429	1.2000	1.1111	1.2632	1.2632
NUMBER OF SERVICES	1176	306	856	2387	2890	3684	2071	2334	3225	5943	1661	4735	1423	10182
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.1110	1.3125	1.2700	1.8829	1.1100	1.1763	1.2679	1.1975	1.3838	1.2771	0.9820	1.1278	1.4232	1.0758
PREVAILING/LCL	1.2000	1.7500	1.5000	1.4286	1.5000	1.5000	1.3095	1.5000	1.8750	1.5429	1.2000	1.1111	1.2632	1.2632
NUMBER OF SERVICES	287	531	163	977	480	1049	263	590	1171	544	350	719	1113	2905
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	0.9420	1.3088	1.2813	1.3157	1.2563	1.3813	1.0762	1.2888	1.3800	1.2371	1.0430	1.0944	1.0442	0.9558
PREVAILING/LCL	1.2000	1.7500	1.5000	1.4286	1.5000	1.5000	1.3095	1.5000	1.8750	1.5429	1.2000	1.1111	1.2632	1.2632
NUMBER OF SERVICES	1291	1159	1587	3181	7823	10579	2192	5516	5074	5639	34564	8074	1879	11268
URCLCGY														
AVERAGE CUSTOMARY/LCL	0.6500		1.1250				1.3012	1.5000	1.2500	1.0286	0.7620	0.8333	1.4737	0.9874
PREVAILING/LCL	1.2000		1.5000				1.3095	1.5000	1.8750	1.5429	1.2000	1.1111	1.2632	1.2632
NUMBER OF SERVICES	3		4				28	39	10	68	235	4	6	180
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	0.9920	1.1538	1.3075	1.1514	1.1425	1.0338	1.1143	1.0450	1.0213	1.1566	1.1220	0.9667	1.0663	0.9611
PREVAILING/LCL	1.2000	1.7500	1.5000	1.4286	1.5000	1.5000	1.3095	1.5000	1.8750	1.5429	1.2000	1.1111	1.2632	1.2632
NUMBER OF SERVICES	3756	1215	1461	5426	5915	17416	11417	3339	8494	9573	6933	9359	6772	4488
CLINIC														
AVERAGE CUSTOMARY/LCL	1.0720	1.6012	0.9113	1.1829	1.3528	1.4200	1.2536	1.5475	1.7063	1.3343	0.8710	1.2067	1.0211	1.2326
PREVAILING/LCL	1.2000	1.7500	1.5000	1.4286	1.5000	1.5000	1.3095	1.5000	1.8750	1.5429	1.2000	1.1111	1.2632	1.2632
NUMBER OF SERVICES	836	6690	415	2363	2023	3520	1986	1554	7701	4953	862	1618	1593	8812

TABLE II
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 85048: WHITE BLOOD CELL

AREA 1 AREA 2 AREA 3 AREA 4 AREA 5 AREA 6 AREA 7 AREA 8 AREA 9 AREA10 AREA11 AREA12 AREA13 AREA14

LOWEST CHARGE LEVELS

4.40 4.00 3.55 3.00 4.00 4.25 5.00 3.50 3.00 4.00 2.00 5.00 5.00

GENERAL PRACTICE

AVERAGE CUSTOMARY/LCL

1.0727 1.1125 0.7555 1.3059

PREVAILING/LCL

1.1364 1.2500 1.2658 1.3571

NUMBER OF SERVICES

113 422 8 24

FAMILY PRACTICE

AVERAGE CUSTOMARY/LCL

0.7568 1.0100 1.0705 0.8824

PREVAILING/LCL

1.1364 1.2500 1.2658 1.3571

NUMBER OF SERVICES

89 93 20 48

INTERNAL MEDICINE

AVERAGE CUSTOMARY/LCL

1.0227 1.8750 1.2000 1.1559 1.3467 1.0175 1.2541 1.0080 1.1714 1.0000

PREVAILING/LCL

1.1364 1.2500 1.2658 1.3571 1.5833 1.2500 1.1765 1.0000 1.1429 2.0000

NUMBER OF SERVICES

78 14 54 61 35 94 443 48 449 126

URCLCGY

AVERAGE CUSTOMARY/LCL

1.0227 1.8750 1.2000 1.1559 1.3467 1.0175 1.2541 1.0080 1.1714 1.0000

PREVAILING/LCL

1.1364 1.2500 1.2658 1.3571 1.5833 1.2500 1.1765 1.0000 1.1429 2.0000

NUMBER OF SERVICES

78 14 54 61 35 94 443 48 449 126

INDEPENDENT LABORATORY

AVERAGE CUSTOMARY/LCL

0.8182 1.2300 1.2304 1.0147 1.1233 1.4625 1.0988 0.7040 1.0086 1.2867 0.9925 2.0250 0.7000 0.9240

PREVAILING/LCL

1.1364 1.2500 1.2658 1.3571 1.5833 1.2500 1.1765 1.0000 1.1429 2.0000 1.0000 2.5000 1.0000 1.0000

NUMBER OF SERVICES

25 101 68 254 35 51 118 372 1248 14 130 433 12 65

CLINIC

AVERAGE CUSTOMARY/LCL

1.0727 0.9650 1.2562 1.1412 1.5833 1.2200 0.9553 1.0000 1.1800 1.5933 1.0000 1.7300 0.9760 1.4500

PREVAILING/LCL

1.1364 1.2500 1.2658 1.3571 1.5833 1.2500 1.1765 1.0000 1.1429 2.0000 1.0000 2.5000 1.0000 1.0000

NUMBER OF SERVICES

65 61 72 226 58 89 269 55 225 478 7 131 66 8

TABLE 11
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 85048: WHITE BLOND CELL

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	4.00	3.00	6.00	3.00	5.00	3.35	4.00	4.00	5.00	3.75	4.00	4.00	2.00	3.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.1725	2.3767	0.8282	1.4267	0.5700	1.5940	1.4075	1.1675	0.9320	1.4080	1.2500	1.5500	2.9550	1.3167
PREVAILING/LCL	1.2500	1.6667	1.1667	1.0000	1.2000	1.7910	1.1000	1.2000	1.0000	2.1333	1.5000	1.0000	2.5000	1.6667
NUMBER OF SERVICES	27	16	126	39	155	74	185	100	183	43	3	163	11	805
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	0.9975		0.6850		1.6000	1.5970	0.7500		0.7820				1.5000	1.3423
PREVAILING/LCL	1.2500		1.1667		1.2000	1.7910	1.1000		1.0000				2.5000	1.6667
NUMBER OF SERVICES	242		19		10	150	9		23				2	114
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.2400	1.2767	1.1150	1.0233	0.8480	1.4119	1.0400	1.0575	0.8460	0.9680	1.0575	0.5375	1.5850	1.3667
PREVAILING/LCL	1.2500	1.6667	1.1667	1.0000	1.2000	1.7910	1.1000	1.2000	1.0000	2.1333	1.5000	1.0000	2.5000	1.6667
NUMBER OF SERVICES	487	52	3117	2184	29	175	78	4972	194	8	606	2613	12	558
URCLGY														
AVERAGE CUSTOMARY/LCL										1.0667			2.0000	1.2367
PREVAILING/LCL										2.1333			2.5000	1.6667
NUMBER OF SERVICES										66			45	66
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.0300	1.3000	0.7617	1.2433	1.0000	1.3284	1.1475	0.7800	0.8520	1.4880	0.8250	0.5425	1.9750	1.1567
PREVAILING/LCL	1.2500	1.6667	1.1667	1.0000	1.2000	1.7910	1.1000	1.2000	1.0000	2.1333	1.5000	1.0000	2.5000	1.6667
NUMBER OF SERVICES	197	272	56	86	91	228	147	171	188	704	133	970	64	925
CLINIC														
AVERAGE CUSTOMARY/LCL	1.1375	1.4323	0.7750	2.8733	1.1580	1.2836	1.0500	1.0900	0.9640	1.5493		1.4100	2.4300	1.0367
PREVAILING/LCL	1.2500	1.6667	1.1667	1.0000	1.2000	1.7910	1.1000	1.2000	1.0000	2.1333		1.0000	2.5000	1.6667
NUMBER OF SERVICES	73	239	50	190	505	93	75	88	311	241		36	68	2117

TABLE 12
RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 85610: PROTHROMBIN TIME

	AREA 1	AREA 2	AREA 3	AREA 4	AREA 5	AREA 6	AREA 7	AREA 8	AREA 9	AREA10	AREA11	AREA12	AREA13	AREA14
LCWEST CHARGE LEVELS	5.00	7.00	6.00	6.25	5.25	6.00	6.50	7.00	6.00	7.00	7.00	6.00	6.00	7.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.4020	0.9843	1.1117	1.2512	1.2438	1.1833	1.0400	1.1043	1.2467	1.1114	1.0829	1.2233	1.1182	1.3171
PREVAILING/LCL	1.5600	1.1429	1.4583	1.1200	1.5238	1.5000	1.2308	1.0000	1.3333	1.1429	1.0714	1.1667	1.1667	1.3143
NUMBER OF SERVICES	198	414	187	273	15	121	184	98	138	546	431	112	668	963
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.6580	1.1225	1.7433	1.3536			1.2692	0.9614		0.7857		1.1667		1.2142
PREVAILING/LCL	1.5600	1.1429	1.4583	1.1200			1.2308	1.0000		1.1429		1.1667		1.3143
NUMBER OF SERVICES	151	287	26	322			339	11		27		25		3
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.0000	1.0000	1.1767	1.0096	1.4057	1.4333	1.0862	1.0000	1.1300	0.8586	1.0029	1.0150		1.1814
PREVAILING/LCL	1.5600	1.1429	1.4583	1.1200	1.5238	1.5000	1.2308	1.0000	1.3333	1.1429	1.0714	1.1667		1.3142
NUMBER OF SERVICES	54	1406	115	447	482	891	1442	288	1460	672	935	700		1155
UROLOGY														
AVERAGE CUSTOMARY/LCL														
PREVAILING/LCL														
NUMBER OF SERVICES														
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.1880	1.0286	1.1133	0.9568	1.2476	1.1567	1.0646	0.9414	1.0733	1.1371	1.0029	1.1450	1.1600	0.9871
PREVAILING/LCL	1.5600	1.1429	1.4583	1.1200	1.5238	1.5000	1.2308	1.0000	1.3333	1.1429	1.0714	1.1667	1.1667	1.3143
NUMBER OF SERVICES	2072	1736	574	8133	1452	2735	5799	2008	4892	1578	2357	1203	609	740
CLINIC														
AVERAGE CUSTOMARY/LCL	1.5720	1.1014	1.4267	1.3232	1.3215	1.0450	1.0062	1.0243	1.1350	1.0571	1.0329	0.9817	1.0250	1.1271
PREVAILING/LCL	1.5600	1.1429	1.4583	1.1200	1.5238	1.5000	1.2308	1.0000	1.3333	1.1429	1.0714	1.1667	1.1667	1.3143
NUMBER OF SERVICES	186	1407	603	1183	216	1056	1642	72	1175	1467	494	1322	1117	250

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 85610: PRCTHRCMBIN TIME

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LCWFST CHARGE LEVELS	6.00	7.00	8.50	5.50	5.50	6.55	6.50	6.50	7.00	6.50	8.00	6.00	6.00	6.50
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.3350	1.0857	0.8953	1.3705	1.2218	1.2580	1.3954	1.5185	1.2814	1.2169	0.8888	1.3250	1.0882	1.1554
PREVAILING/LCL	1.5000	1.3214	1.0588	1.2727	1.3636	1.2977	1.5385	1.5385	1.2857	1.2308	1.2500	1.2833	1.2500	1.2308
NUMBER OF SERVICES	72	163	136	921	735	950	696	422	1512	584	189	1071	520	1825
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.0000	0.9743	1.1525	1.1400	1.4636	1.2183	1.6615	1.2000	1.0325	0.9400	0.9650	1.2917	1.3250	1.0452
PREVAILING/LCL	1.5000	1.3214	1.0588	1.2727	1.3636	1.2977	1.5385	1.5385	1.2857	1.2308	1.2500	1.2833	1.2500	1.2308
NUMBER OF SERVICES	107	137	51	537	154	631	115	339	126	125	56	112	446	818
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.1717	1.0943	1.1059	1.1564	1.2236	1.2489	1.2154	1.1538	1.1557	1.0292	1.0788	1.2183	1.2400	1.0877
PREVAILING/LCL	1.5000	1.3214	1.0588	1.2727	1.3636	1.2977	1.5385	1.5385	1.2857	1.2308	1.2500	1.2833	1.2500	1.2308
NUMBER OF SERVICES	1052	1076	483	2125	4577	4531	1680	1347	2122	3605	7431	3968	1134	3953
UROLOGY														
AVERAGE CUSTOMARY/LCL			1.0588				1.2308	0.9231		1.1538				1.2308
PREVAILING/LCL			1.0588				1.5385	1.5385		1.2308				1.2308
NUMBER OF SERVICES			18				3	3		4				6
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.2000	0.9725	0.5553	1.0382	1.0291	1.0519	1.1538	1.0246	0.8714	1.0308	1.0188	1.0517	1.1033	1.0815
PREVAILING/LCL	1.5000	1.3214	1.0588	1.2727	1.3636	1.2977	1.5385	1.5385	1.2857	1.2308	1.2500	1.2833	1.2500	1.2308
NUMBER OF SERVICES	4557	2181	2334	5278	2097	8173	5473	1759	4740	6387	3016	5747	2212	5888
CLINIC														
AVERAGE CUSTOMARY/LCL	1.0967	1.2229	0.7224	1.2964	1.2764	1.2351	1.1600	1.3015	1.2186	1.3246	1.1775	1.2150	1.2067	1.0354
PREVAILING/LCL	1.5000	1.3214	1.0588	1.2727	1.3636	1.2977	1.5385	1.5385	1.2857	1.2308	1.2500	1.2833	1.2500	1.2308
NUMBER OF SERVICES	955	4178	250	893	1237	1001	2068	467	2804	1229	383	523	1009	3684

TABLE 13

RATIOS OF AVERAGE CUSTICMRY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
NORTHERN CALIFORNIA
1980

PROCEDURE 85650: SEDIMENTATION RATE

AREA 1 AREA 2 AREA 3 AREA 4 AREA 5 AREA 6 AREA 7 AREA 8 AREA 9 AREA 10 AREA 11 AREA 12 AREA 13 AREA 14

LOWEST CHARGE LEVELS

4.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.70

GENERAL PRACTICE

AVERAGE CUSTICMRY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.3125 1.0440 0.8631 1.3580 1.1560 0.9927 1.1673 1.0660 1.0920 1.0920 1.2820 1.1660 1.0020 1.1386
1.6750 1.2500 1.0765 1.3000 1.4000 1.5455 1.5455 2.0000 1.2000 1.2000 1.3000 1.2000 1.6000 1.3684
1007 560 363 857 481 186 1195 121 1073 350 329 348 585 737

FAMILY PRACTICE

AVERAGE CUSTICMRY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.5300 1.3380 1.0765 1.2140 0.9800 1.2382 1.0000 1.1780 1.0000 1.9000 1.4560 1.2000 1.4386
1.6750 1.2500 1.0765 1.3000 1.4000 1.5455 2.0000 1.2000 1.2000 1.3000 1.2000 1.6000 1.3684
80 352 225 213 23 1298 9 44 16 28 69 181 20

INTERNAL MEDICINE

AVERAGE CUSTICMRY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.1050 1.0900 0.9646 1.1320 1.1740 1.1636 1.2200 1.0140 1.0500 1.0480 1.1820 1.0680 1.2754
1.6750 1.2500 1.0765 1.3000 1.4000 1.5455 1.5455 2.0000 1.2000 1.2000 1.3000 1.2000 1.3684
387 263 436 785 5150 2958 3296 1022 2054 446 588 975 1233

URCLCGY

AVERAGE CUSTICMRY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

INDEPENDENT LABORATORY
AVERAGE CUSTICMRY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.3075 1.1020 0.6662 1.1480 1.1020 1.4436 1.2218 1.1440 1.0480 1.0160 1.0680 0.9000 0.9760 1.0018
1.6750 1.2500 1.0765 1.3000 1.4000 1.5455 1.5455 2.0000 1.2000 1.2000 1.3000 1.2000 1.6000 1.3684
1624 1401 684 4123 2781 2240 4419 1507 2236 1186 2186 1322 1305 784

CLINIC

AVERAGE CUSTICMRY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.4950 1.1240 1.0200 1.3260 1.2940 1.0545 1.1127 1.0240 1.1080 1.0940 1.2720 1.0080 1.3380 1.2947
1.6750 1.2500 1.0765 1.3000 1.4000 1.5455 1.5455 2.0000 1.2000 1.2000 1.3000 1.2000 1.6000 1.3684
183 2505 1014 1596 1060 467 832 53 3726 800 469 1111 1924 867

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 8565C: SEDIMENTATION RATE

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	5.00	5.00	5.00	4.00	4.50	5.00	5.00	5.00	4.00	4.75	6.00	5.00	5.00	5.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.0060	1.0660	1.2760	1.6400	1.1044	1.4520	1.1340	1.3000	1.4275	1.1642	1.0550	1.2040	1.3060	1.2020
PREVAILING/LCL	1.2600	1.5000	1.5000	1.7500	1.5556	1.4000	1.6000	1.6000	1.8750	1.3684	1.3333	1.3000	1.6000	1.4000
NUMBER OF SERVICES	278	479	93	767	457	1847	920	1622	1728	1836	709	2321	930	5729
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.2020	1.3200	1.0200	1.9025	1.4578	1.3320	1.8580	1.1880	1.4675	1.1305	0.8900	1.0480	1.1480	1.1940
PREVAILING/LCL	1.2600	1.5000	1.5000	1.7500	1.5556	1.4000	1.6000	1.6000	1.8750	1.3684	1.3333	1.2000	1.6000	1.4000
NUMBER OF SERVICES	158	135	71	1053	108	952	514	563	727	724	165	820	624	2516
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.0620	1.1460	1.3060	1.2775	1.2444	1.2220	1.1500	1.4060	1.4875	1.1200	1.1033	1.2260	1.0600	1.1620
PREVAILING/LCL	1.2600	1.5000	1.5000	1.7500	1.5556	1.4000	1.6000	1.6000	1.8750	1.3684	1.3333	1.2000	1.6000	1.4000
NUMBER OF SERVICES	456	792	416	2219	3648	5558	658	2750	2205	5128	16821	5841	1391	5555
UROLOGY														
AVERAGE CUSTOMARY/LCL	1.0000						1.2000			1.5368	1.1667			1.0000
PREVAILING/LCL	1.2600						1.6000			1.3684	1.3333			1.4000
NUMBER OF SERVICES	3						14			6	3			3
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.2920	1.4140	1.1780	1.1325	1.0244	1.1140	1.0340	1.3140	1.6000	1.0526	0.8067	0.9800	1.3600	1.1880
PREVAILING/LCL	1.2600	1.5000	1.5000	1.7500	1.5556	1.4000	1.6000	1.6000	1.8750	1.3684	1.3333	1.2000	1.6000	1.4000
NUMBER OF SERVICES	1427	787	1003	2584	2236	10178	4749	2347	15412	18528	2935	7325	3461	4072
CLINIC														
AVERAGE CUSTOMARY/LCL	0.8600	1.5240	0.8020	1.5450	1.2723	1.1080	1.4040	1.5120	1.9500	1.6232	1.1883	1.2940	1.1680	1.1340
PREVAILING/LCL	1.2600	1.5000	1.5000	1.7500	1.5556	1.4000	1.6000	1.6000	1.8750	1.3684	1.3333	1.2000	1.6000	1.4000
NUMBER OF SERVICES	600	4443	327	587	842	1287	2273	230	2663	3660	544	898	835	5124

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRC
NORTHERN CALIFORNIA
1980

PROCEDURE 88150: CYTOPATHOLOGY SMEARS

AREA 1 AREA 2 AREA 3 AREA 4 AREA 5 AREA 6 AREA 7 AREA 8 AREA 9 AREA10 AREA11 AREA12 AREA13 AREA14

LOWEST CHARGE LEVELS

8.00 4.50 7.00 7.00 6.50 7.00 7.00 7.50 7.00 6.50 7.00 7.60 7.50 9.00 8.50

GENERAL PRACTICE
AVERAGE CUSTOMARY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.1838 1.8722 1.2914 1.5123 1.3843 1.8320 1.4643 1.3253 1.4108 1.9114 1.4724 1.2747 0.8489 1.2859
1.2500 3.3333 1.2143 1.3538 1.2857 1.9000 1.5357 1.4000 1.5385 1.0000 1.1842 1.2000 1.0000 1.1765
140 124 76 291 116 45 431 86 220 29 134 219 434 29

FAMILY PRACTICE

AVERAGE CUSTOMARY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.0950 1.5311 2.0000 1.2308 1.1429 1.2093 1.4522 1.4643 0.8553 1.0693 1.0000
1.2500 3.3333 1.2143 1.3538 1.5357 1.4000 1.5385 1.0000 1.1842 1.2000 1.0000
49 31 3 59 36 84 9 4 27 4

INTERNAL MEDICINE

AVERAGE CUSTOMARY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.1913 1.2542 1.4354 1.3014 1.8280 1.6729 1.4813 1.4908 0.9286 0.9868 1.1187 2.2222 0.9847
1.2500 1.2142 1.3538 1.2857 1.9000 1.5357 1.4000 1.5385 1.0000 1.1842 1.2000 1.0000 1.1765
47 17 30 138 14 274 86 102 53 4 231 4 47

UROLOGY

AVERAGE CUSTOMARY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

INDEPENDENT LABORATORY
AVERAGE CUSTOMARY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.2088 2.6244 1.0114 1.2415 1.2114 1.5520 1.0900 1.1213 1.1338 1.0229 0.9579 0.5507 0.9522 1.0447
1.2500 3.3333 1.2143 1.3538 1.2857 1.9000 1.5357 1.4000 1.5385 1.0000 1.1842 1.2000 1.0000 1.1765
83 1847 1550 2134 3007 1496 3105 468 2892 4845 225 1441 332 12

CLINIC

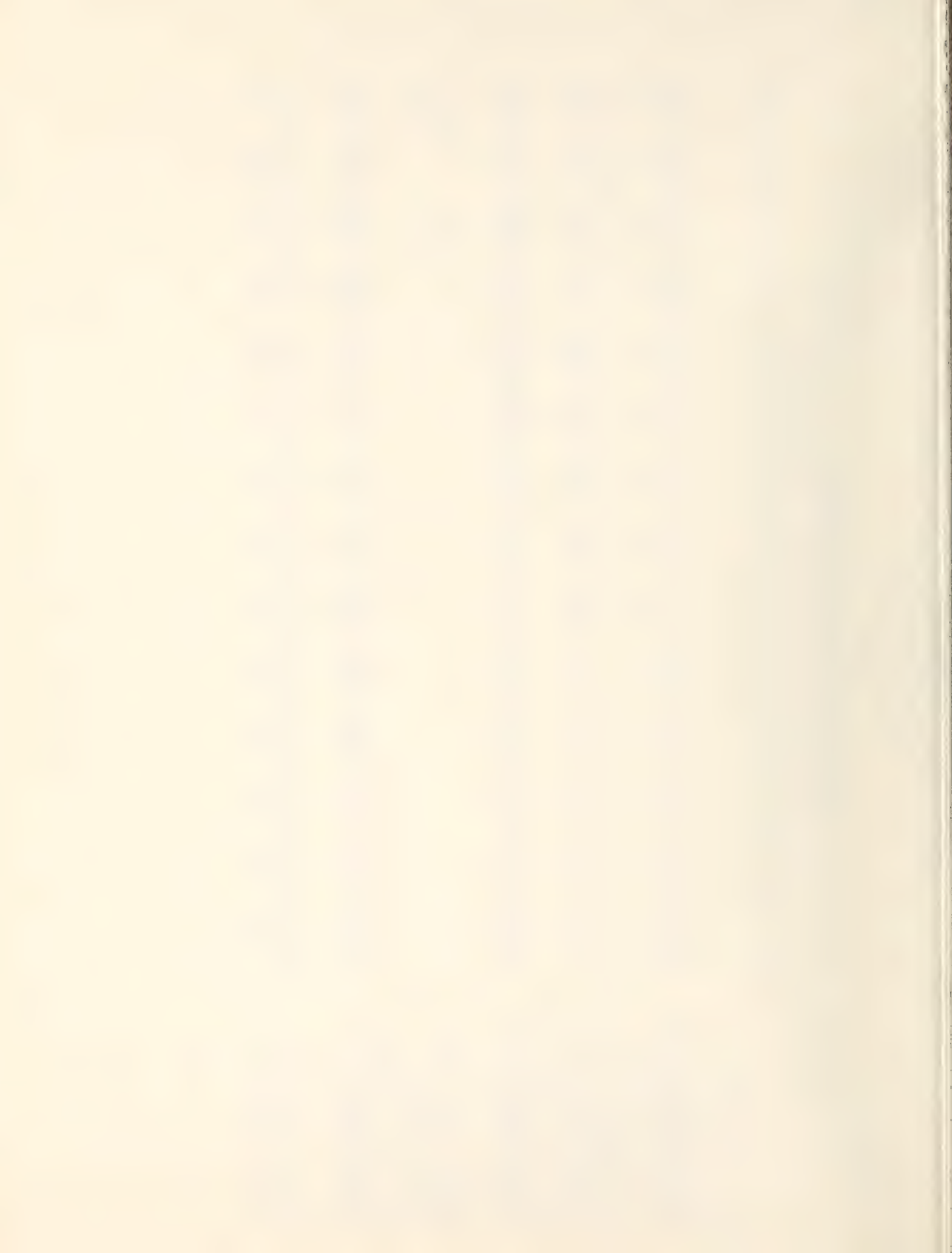
AVERAGE CUSTOMARY/LCL
PREVAILING/LCL
NUMBER OF SERVICES

1.1712 2.7600 1.2542 1.2200 1.4786 1.9780 1.6243 1.0640 1.2954 1.2857 1.4373
1.2500 3.3333 1.2143 1.3538 1.2857 1.9000 1.5357 1.4000 1.5385 1.0000 1.2000
68 53 896 606 192 503 946 244 371 5 189

RATIOS OF AVERAGE CUSTOMARY AND PREVAILING CHARGES
TO LOWEST CHARGE LEVELS
BY SPECIALTY AND PSRO
SOUTHERN CALIFORNIA
1980

PROCEDURE 88150: CYTOPATHOLOGY SMEARS

	AREA15	AREA16	AREA17	AREA18	AREA19	AREA20	AREA21	AREA22	AREA23	AREA24	AREA25	AREA26	AREA27	AREA28
LOWEST CHARGE LEVELS	6.00	7.00	5.00	8.00	7.00	7.00	7.50	7.00	7.00	7.50	7.00	6.00	7.70	5.00
GENERAL PRACTICE														
AVERAGE CUSTOMARY/LCL	1.6750	1.3686	2.1100	1.3913	1.4500	1.7543	1.6880	1.6071	1.7171	1.3747	1.9586	1.8367	1.1909	1.9440
PREVAILING/LCL	1.6667	1.2143	2.5000	1.5000	1.4286	1.4286	1.7333	1.7143	2.1429	2.0000	1.7857	2.5000	1.4286	1.5000
NUMBER OF SERVICES	86	66	108	410	174	231	321	63	430	211	31	679	67	627
FAMILY PRACTICE														
AVERAGE CUSTOMARY/LCL	1.8250	1.3771	1.5780	1.5025	1.4143	1.4757	1.4960	1.4900	1.5371	1.6187	1.4500	1.6083	1.2909	1.8100
PREVAILING/LCL	1.6667	1.2143	2.5000	1.5000	1.4286	1.4286	1.7333	1.7143	2.1429	2.0000	1.7857	2.5000	1.4286	1.5000
NUMBER OF SERVICES	43	55	47	62	70	109	109	48	51	21	40	140	125	179
INTERNAL MEDICINE														
AVERAGE CUSTOMARY/LCL	1.8350	1.6771	1.7760	1.3138	1.3000	1.4400	1.4373	1.4957	1.4514	1.2693	1.6586	1.5400	1.3155	1.8540
PREVAILING/LCL	1.6667	1.2143	2.5000	1.5000	1.4286	1.4286	1.7333	1.7143	2.1429	2.0000	1.7857	2.5000	1.4286	1.5000
NUMBER OF SERVICES	77	31	16	97	86	119	77	138	136	65	237	236	88	207
UROLOGY														
AVERAGE CUSTOMARY/LCL												1.6667		2.0000
PREVAILING/LCL												2.5000		1.5000
NUMBER OF SERVICES												4		6
INDEPENDENT LABORATORY														
AVERAGE CUSTOMARY/LCL	1.3123	1.1143	2.0520	0.9475	1.1257	1.0243	1.3613	1.1757	1.6171	1.5213	1.3657	1.7050	0.9117	1.3920
PREVAILING/LCL	1.6667	1.2143	2.5000	1.5000	1.4286	1.4286	1.7333	1.7143	2.1429	2.0000	1.7857	2.5000	1.4286	1.5000
NUMBER OF SERVICES	82	791	143	405	277	6065	2278	109	545	1542	1030	7078	822	4535
CLINIC														
AVERAGE CUSTOMARY/LCL	1.7233	1.0771	1.9500	1.5188	1.4329	1.4014	1.3880	1.3057	1.9429	1.9453	1.7657	2.0433	1.4120	1.6520
PREVAILING/LCL	1.6667	1.2143	2.5000	1.5000	1.4286	1.4286	1.7333	1.7143	2.1429	2.0000	1.7857	2.5000	1.4286	1.5000
NUMBER OF SERVICES	97	298	24	411	222	103	300	266	834	386	52	325	230	1653



As evidenced from tables 3 through 14, the relationship of LCL's to prevailing charges varies widely according to procedure and PSRO. While the prevailing charge is never lower than the LCL, they are equal in approximately five percent of the procedure - PSRO combinations,¹⁵ while in others the prevailing charge is more than double the lowest charge level, and in one instance it is three times greater.¹⁶ Generally, the prevailings range from 20 to 50 percent above the lowest charge levels. Therefore, the LCL, did, presumably, constrain reimbursements for those providers previously paid at the prevailing level.

Examination of the tables reveals no discernable difference between the North or the South. It does not appear that LCL's are more or less restrictive in either. The prevailing and LCL ratio for the most commonly performed procedure, routine complete urinalysis (81000), varies from unity in the rural counties of Kings and Tulare (area 13) to 1.6 in the large urban Los Angeles County (area 22). However, the rural counties of area 2 and the large urban county of San Francisco (area 5) each have lowest charge levels of \$5.00, and prevailing charges 20 percent greater than that LCL. Thus, no general pattern emerges with regard to rural/urban differences or similarities.

In examining the relationship of average customary charges to the LCL, it is apparent first, that the constraining influence of the LCL is weaker, and second, that many services are reimbursed at the customary charge level, rather than the prevailing. This is evident as the average customary/LCL ratio is frequently less than unity. This is true, for example, for general practitioners in both the rural and urban areas (areas 2 and 5, respectively)

15. Procedure 81000 in PSRO 13; Procedure 84520 in PSRO's 10 and 12; Procedure 85014 in PSRO's 11, 13, 14; Procedure 85018 in PSRO 11; Procedure 85031 in PSRO 13; Procedure 85048 in PSRO's 8, 11, 13, 14, 18, 23 and 26; Procedure 85610 in PSRO 8; Procedure 88150 in PSRO 13.

16. Procedure 85018 in PSRO 27.



mentioned above with regard to urinalysis. While, as previously noted, the prevailing charge exceeds the lowest charge level by 20 percent in each of these areas, the average customary charge is less than the LCL by 1.2 percent in the rural area (area 2) and 11.6 percent in the San Francisco area (area 5).

There is no general pattern apparent for the constraining influence of the LCL across specialties. While, for example, it is true that internist's average customary charges are more frequently constrained than general practitioner's, there are numerous counter examples. Similarly, while independent laboratories and clinics often have customary charges which are severely constrained, there are frequent examples of labs and clinics with average customary charges below the lowest charge level. We thus cannot single out either a specific geographic area (or type of area) or a specialty, with customary charges more or less restricted than any other. The general conclusion which can be made is that prevailings exceed the lowest charge levels to a greater degree than do customary charges.

An additional measure of the constraining influence of LCL regulations is the determination of the minimum and maximum percentile of customary charges which the LCL represents. Table 15 presents the distribution of average customary charges by PSRO for each of the twelve pathology procedures. This distribution confirms the previously noted variable impact of the LCL's across areas.

The lowest charge level minimum percentile shown in the table, is the lowest percentile in the customary charge distribution which contained the LCL dollar amount. That percentage of providers have customary charges below the LCL. The maximum percentile is the highest percentile in the distribution which contained the LCL amount. A blank in the minimum percentile column occurs when the LCL amount is lower than the minimum customary charge, or when

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST CHARGE AMOUNT	MIN PCTILE	MAX PCTILE	LEVEL
81000	01	30,792	3.00	3.75	4.50	5.00	6.00	6.00	10.00	4.50	20	40	
81000	02	39,206	3.00	3.00	4.80	5.00	6.00	7.00	10.00	5.00	29	56	
81000	03	29,817	3.00	4.50	5.00	6.00	7.00	8.00	10.00	5.00	15	29	
81000	04	77,817	3.00	4.00	5.00	5.00	6.00	6.50	10.00	5.00	22	50	
81000	05	73,904	3.00	3.00	4.00	5.00	6.00	7.00	11.00	5.00	38	68	
81000	06	32,465	3.00	4.00	5.00	6.00	7.00	8.00	9.00	5.50	32	36	
81000	07	120,544	3.00	4.00	5.00	6.00	6.60	7.50	10.50	5.00	14	42	
81000	08	32,790	3.00	4.00	5.00	6.00	6.00	6.50	10.80	5.60	43	48	
81000	09	69,738	3.00	4.00	5.00	6.00	6.00	7.50	10.00	5.00	12	38	
81000	10	33,559	3.00	4.00	4.50	5.00	6.00	6.50	8.00	5.00	27	63	
81000	11	42,648	3.00	3.50	4.00	5.00	6.00	6.00	10.00	5.00	30	69	
81000	12	33,333	3.00	3.60	4.00	5.00	5.50	6.00	10.00	5.00	39	62	
81000	13	25,851	3.00	4.00	4.00	5.00	5.00	6.00	10.00	5.00	46	83	
81000	14	28,517	3.00	4.75	5.00	5.75	7.50	8.00	10.00	5.00	12	39	
81000	15	48,073	3.00	4.00	5.00	6.00	6.00	8.00	10.00	5.00	12	46	
81000	16	34,610	3.00	4.00	5.00	6.25	7.00	7.25	11.00	5.10	36	37	
81000	17	30,732	3.00	4.00	5.00	6.00	6.75	8.00	10.50	5.00	19	44	
81000	18	57,585	3.00	4.00	4.00	5.00	7.00	8.50	10.00	5.00	28	53	
81000	19	59,206	3.00	4.00	5.00	5.00	6.00	7.00	10.00	5.00	19	53	
81000	20	106,012	1.20	4.00	5.00	6.00	7.00	8.00	10.00	5.00	11	37	
81000	21	84,052	.60	3.40	5.00	5.20	6.50	7.00	10.00	5.00	19	50	
81000	22	48,504	3.00	4.50	5.00	6.00	7.00	8.00	10.00	5.00	16	30	
81000	23	133,695	3.00	3.40	4.00	5.00	7.00	8.00	11.00	5.00	31	51	
81000	24	185,390	3.00	3.50	4.00	5.00	6.00	6.50	10.00	5.00	28	61	
81000	25	113,068	3.00	3.50	5.00	6.00	7.00	8.00	10.00	5.00	15	38	
81000	26	117,503	.50	4.00	5.00	5.00	6.00	7.00	10.00	5.00	21	52	
81000	27	48,878	3.00	4.00	5.00	5.00	6.00	7.00	10.00	5.00	21	53	
81000	28	205,067	1.00	4.00	5.00	5.00	6.00	7.00	10.00	5.00	22	50	

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST CHARGE AMOUNT	MIN PCTILE	MAX PCTILE	LEVEL
82465	01	1,162	6.00	6.50	7.00	7.50	10.00	10.80	12.50	7.50	27		63
82465	02	1,143	6.00	7.00	7.00	7.00	9.00	9.50	12.25	7.00	4		54
82465	03	549	6.25	7.50	8.75	11.00	14.00	14.00	20.00	9.50	31		32
82465	04	1,198	5.50	7.00	8.00	9.20	9.25	10.00	16.50	7.00	9		17
82465	05	2,161	5.50	7.00	7.50	8.50	8.50	10.00	12.50	7.50	21		26
82465	06	963	6.00	7.50	8.00	9.50	10.50	10.50	14.00	7.50	9		20
82465	07	1,883	5.50	7.00	8.00	8.50	10.00	12.00	20.00	7.75	20		20
82465	08	538	6.00	6.00	6.00	7.50	8.00	9.00	10.00	6.00			49
82465	09	2,498	5.50	6.00	6.50	7.00	8.00	9.00	12.00	6.00	2		18
82465	10	771	5.50	7.00	7.00	7.00	9.00	9.50	12.00	7.00	9		61
82465	11	1,803	6.00	7.00	9.00	9.00	9.00	10.00	10.00	8.00	14		17
82465	12	585	6.00	7.00	7.70	8.00	8.00	8.50	10.00	7.70	24		43
82465	13	722	5.75	6.50	7.00	8.00	8.00	9.00	10.25	7.00	20		48
82465	14	1,294	7.00	8.00	8.75	10.40	12.00	12.00	15.00	9.45	35		40
82465	15	1,631	5.50	6.00	7.00	8.00	9.00	10.00	12.00	6.00	2		24
82465	16	845	6.00	8.00	8.00	9.00	11.50	13.00	15.00	5.00			4
82465	17	738	5.40	8.00	8.40	9.00	10.00	10.00	11.10	4.50			1
82465	18	3,850	5.50	7.00	7.00	7.50	8.00	10.00	12.00	7.00	9		40
82465	19	6,277	5.50	6.00	7.00	7.00	8.50	10.00	15.00	6.00	3		19
82465	20	10,024	1.40	6.00	7.00	8.00	10.00	10.00	13.50	7.00	15		31
82465	21	3,217	1.80	6.20	7.00	8.00	9.00	10.00	14.00	7.00	11		29
82465	22	3,271	5.50	7.00	8.00	9.90	10.00	12.00	15.00	8.50	29		41
82465	23	7,628	5.70	7.00	7.00	8.00	10.00	10.90	15.00	7.50	30		36
82465	24	7,526	5.50	6.00	6.50	8.00	9.90	10.00	20.00	6.00			12
82465	25	22,497	5.50	6.50	8.00	9.00	10.00	10.00	15.00	8.00	20		35
82465	26	6,406	1.20	6.00	7.00	8.00	9.00	10.00	12.00	7.00	20		35
82465	27	3,865	5.50	6.00	6.00	8.00	9.00	10.00	14.00	6.00	4		26
82465	28	8,328	2.00	6.20	7.50	8.00	9.00	10.00	15.00	7.50	23		37

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST AMOUNT	CHARGE MIN PCTILE	LEVEL MAX PCTILE
82947	01	3,094	5.00	6.00	7.00	8.00	10.00	10.90	12.00	6.75	18	29
82947	02	5,700	4.00	7.00	8.00	8.50	9.50	10.00	12.75	8.50	42	51
82947	03	3,025	6.00	7.00	7.50	8.75	10.00	11.00	12.00	7.00	6	23
82947	04	11,583	4.00	6.00	7.00	7.00	8.00	9.25	12.00	7.00	20	72
82947	05	6,118	4.00	6.50	7.00	8.00	9.00	9.00	11.00	7.00	13	30
82947	06	4,836	3.50	7.00	7.70	8.00	9.00	10.50	12.00	7.00	5	14
82947	07	15,024	3.60	6.50	8.00	8.25	9.00	10.00	13.20	8.00	17	40
82947	08	7,691	3.50	6.00	6.90	7.40	8.00	9.00	11.50	7.15	47	56
82947	09	9,272	3.50	6.00	6.50	7.50	8.00	9.00	12.00	7.00	30	47
82947	10	6,702	4.00	6.00	7.00	8.00	8.50	10.00	12.00	7.00	17	34
82947	11	9,587	3.50	7.00	8.00	8.50	10.00	10.00	11.00	7.50	15	24
82947	12	5,603	4.50	6.00	7.00	8.00	9.00	9.00	10.00	7.00	18	37
82947	13	6,721	4.50	7.00	7.00	7.00	8.00	9.00	10.25	7.00	3	60
82947	14	6,945	5.00	8.00	9.00	9.50	10.40	12.00	13.00	9.00	23	44
82947	15	11,971	3.75	6.00	7.00	8.00	9.00	11.50	13.00	7.50	25	30
82947	16	7,510	4.00	5.00	8.00	9.00	10.50	11.75	12.00	7.00	16	16
82947	17	6,544	3.50	5.40	8.00	8.40	9.00	10.00	12.60	5.40	10	11
82947	18	17,304	3.50	6.00	6.50	7.50	8.00	10.00	13.00	7.00	26	50
82947	19	17,366	4.00	5.00	7.00	8.00	10.00	10.00	12.00	7.00	22	43
82947	20	35,443	1.40	5.50	6.00	7.00	8.00	10.00	13.00	6.25	36	42
82947	21	29,506	2.00	5.20	7.00	8.00	9.00	10.00	12.80	8.00	34	53
82947	22	10,766	3.50	6.00	7.00	8.50	10.00	11.50	13.00	6.50	15	22
82947	23	27,407	3.50	6.00	6.75	8.00	10.00	11.00	13.00	7.00	25	32
82947	24	46,455	3.50	5.60	7.00	7.00	8.00	10.00	13.00	7.50	53	62
82947	25	44,376	3.50	6.00	7.50	8.50	10.00	10.00	13.00	8.00	27	48
82947	26	32,966	1.20	6.00	6.50	7.50	8.25	10.00	13.00	7.00	25	42
82947	27	16,416	3.50	6.00	7.00	8.00	8.50	9.50	12.00	7.00	21	28
82947	28	44,434	1.40	2.00	6.00	8.00	8.50	10.00	12.00	7.00	32	39

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST AMOUNT	CHARGE MIN PCTILE	LEVEL MAX PCTILE
84520	01	694	6.00	6.00	6.50	8.00	12.00	12.00	12.00	6.75	27	28
84520	02	1,194	6.00	7.00	7.00	7.00	9.50	10.00	13.00	7.00	1	55
84520	03	225	6.25	6.25	7.00	14.00	14.00	14.00	14.00	10.00	39	42
84520	04	1,600	6.00	8.00	8.00	8.50	9.00	9.25	16.00	8.00	9	34
84520	05	1,078	5.50	6.50	7.00	8.50	9.00	9.00	12.50	7.00	14	34
84520	06	448	6.00	7.50	7.50	8.00	9.00	11.00	12.00	6.00		1
84520	07	2,219	6.00	6.75	8.00	8.00	8.50	10.00	13.20	8.00	18	53
84520	08	486	6.00	7.00	7.00	8.00	9.00	9.00	9.00	8.00	48	56
84520	09	1,245	5.70	6.00	7.00	8.00	9.00	9.75	11.00	5.66		3
84520	10	606	6.00	6.50	7.00	7.00	8.00	9.75	12.00	8.00	62	81
84520	11	1,155	6.00	7.00	7.00	9.00	9.50	10.00	10.00	9.00	33	63
84520	12	542	6.00	7.00	7.50	8.00	8.00	8.00	8.00	8.00	34	100
84520	13	1,187	6.50	6.50	7.00	7.00	7.00	8.00	9.00	7.00	14	78
84520	14	731	7.00	7.50	9.00	10.00	10.50	13.00	15.60	9.00	21	36
84520	15	1,526	6.00	6.00	6.00	8.00	9.00	10.00	11.00	6.00		25
84520	16	517	6.00	7.00	8.00	8.00	11.50	15.00	15.00	5.00		7
84520	17	1,135	5.40	8.00	8.40	9.00	9.00	9.30	11.90	8.00	1	13
84520	18	2,894	6.00	6.00	7.00	8.00	8.50	10.00	15.00	7.00	17	27
84520	19	3,906	5.50	6.00	6.00	7.50	10.50	12.00	15.00	6.00	4	29
84520	20	10,825	1.40	6.00	7.00	8.00	9.00	10.00	14.00	6.65	20	32
84520	21	5,158	2.00	2.00	6.50	8.00	9.00	10.00	12.80	7.00	26	33
84520	22	3,584	5.50	7.00	8.00	9.80	10.00	10.50	15.00	8.50	34	37
84520	23	8,387	5.70	5.70	6.20	8.00	10.00	11.00	14.10	7.50	42	46
84520	24	13,086	5.50	6.20	7.20	7.25	8.50	10.75	15.00	7.75	55	75
84520	25	21,337	5.75	6.20	8.00	9.00	10.00	10.00	15.00	8.00	23	41
84520	26	7,580	1.20	6.00	6.50	7.50	8.80	10.00	12.00	6.05	14	24
84520	27	2,620	5.50	6.00	7.00	7.50	9.00	10.00	14.00	7.50	45	51
84520	28	11,085	1.50	2.20	2.30	7.50	8.25	10.00	14.90	6.50	36	42

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST AMOUNT	CHARGE MIN PCTILE	LEVEL MAX PCTILE
84550	01	653	6.00	6.50	7.50	9.00	10.00	10.00	12.00	7.00	14	23
84550	02	1,093	7.00	7.00	8.25	9.00	9.50	10.00	13.00	8.00	17	25
84550	03	587	6.25	7.50	8.00	10.00	14.00	14.00	14.00	7.00	5	8
84550	04	1,822	5.00	7.00	8.00	9.00	9.00	9.50	12.00	8.00	15	38
84550	05	1,473	5.00	6.50	7.00	8.00	8.00	9.00	12.50	7.00	12	26
84550	06	879	6.00	7.50	7.50	8.00	9.00	10.50	11.75	7.50	9	31
84550	07	1,632	5.00	7.00	8.00	8.75	10.00	11.00	14.50	8.00	12	38
84550	08	671	5.00	6.00	7.00	7.50	8.50	9.00	12.50	8.00	57	74
84550	09	1,120	5.00	7.00	7.00	7.00	8.50	9.50	11.00	7.00	10	52
84550	10	682	6.00	6.00	7.00	8.00	9.00	10.50	13.00	7.00	23	44
84550	11	989	6.00	6.00	8.00	9.00	10.00	10.00	10.00	8.00	19	34
84550	12	704	5.00	6.50	7.00	7.00	8.00	8.00	8.50	7.50	55	69
84550	13	492	6.00	6.00	7.00	7.00	8.00	8.00	9.00	7.00	23	69
84550	14	908	7.00	9.00	9.00	10.00	11.00	13.00	15.00	9.00	8	35
84550	15	2,087	5.00	6.00	6.00	8.00	9.00	10.00	12.00	6.00	8	27
84550	16	1,086	5.00	5.00	5.00	8.40	11.75	15.00	15.00	5.00		26
84550	17	808	5.00	6.00	8.40	8.40	9.00	10.00	12.00	7.00	13	15
84550	18	3,634	5.00	5.20	7.00	7.00	9.00	10.00	15.00	7.00	23	52
84550	19	2,426	5.00	6.00	6.00	7.00	9.00	10.50	15.00	6.00	9	26
84550	20	8,238	2.40	5.70	7.00	8.00	9.00	10.00	13.00	7.00	21	32
84550	21	3,424	1.80	5.20	7.00	8.00	9.00	11.00	12.80	7.00	22	38
84550	22	3,861	5.00	6.50	7.00	9.90	10.00	11.00	15.00	9.00	44	49
84550	23	5,667	5.00	5.60	7.00	8.00	10.00	12.00	16.00	8.00	32	52
84550	24	7,748	5.00	6.00	7.00	8.00	8.50	10.00	15.00	7.00	23	42
84550	25	24,132	5.00	7.00	8.00	9.00	10.00	10.00	15.00	8.00	16	42
84550	26	5,266	1.10	6.00	6.00	7.00	9.00	10.00	12.00	6.00	7	27
84550	27	2,836	5.00	6.00	6.50	8.50	10.00	10.00	12.00	7.50	29	33
84550	28	8,883	1.50	6.00	7.00	8.00	9.00	10.00	15.00	7.50	33	44

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST AMOUNT	CHARGE MIN PCITILE	LEVEL MAX PCITILE
85014	01	1,931	2.70	3.00	3.90	4.00	4.50	5.00	5.00	3.50	25	26
85014	02	1,984	2.50	3.50	3.75	4.00	5.50	8.00	9.00	3.25	8	8
85014	03	1,885	3.00	4.00	4.00	4.50	5.00	7.00	8.00	4.00	4	45
85014	04	3,072	2.50	3.00	3.00	4.00	4.50	5.00	8.00	3.75	45	49
85014	05	5,571	2.50	2.50	2.50	2.50	3.20	4.50	6.50	3.20	73	79
85014	06	1,079	3.00	4.00	4.00	5.00	5.00	5.50	7.25	4.00	9	36
85014	07	7,121	2.50	3.00	3.50	5.00	5.00	6.00	9.00	3.25	17	19
85014	08	1,626	2.50	2.50	2.50	3.00	5.00	6.00	7.00	3.25	56	57
85014	09	6,366	2.50	3.00	3.50	4.00	5.00	5.00	8.00	3.75	32	32
85014	10	1,204	2.50	3.00	3.25	4.00	5.00	5.50	6.00	3.00	9	24
85014	11	1,944	2.50	4.00	4.00	4.00	4.00	4.00	7.00	4.00	10	94
85014	12	2,371	2.50	3.00	3.50	4.00	5.00	5.00	8.00	3.00	1	17
85014	13	722	3.00	3.00	3.00	3.00	4.00	5.00	6.00	4.00	64	83
85014	14	4,916	3.50	5.00	5.00	5.00	5.00	5.00	6.50	5.00	7	93
85014	15	1,720	2.50	4.00	4.00	5.00	5.00	6.00	8.00	4.00	5	48
85014	16	2,435	2.50	3.00	3.50	4.75	6.00	8.00	8.00	3.00	5	25
85014	17	6,383	2.60	3.00	4.00	6.00	7.00	7.00	8.00	6.00	46	57
85014	18	1,244	2.50	3.00	3.00	4.00	5.00	5.00	8.00	3.00	5	47
85014	19	1,817	2.50	3.00	3.25	4.20	5.00	7.00	8.00	3.30	27	35
85014	20	3,795	1.00	3.00	3.00	5.00	6.00	7.00	9.00	3.50	29	31
85014	21	1,991	.50	.50	3.00	4.00	4.00	5.00	9.00	3.00	21	40
85014	22	4,901	2.50	3.50	3.50	3.50	3.50	5.50	8.00	3.50	1	83
85014	23	6,585	2.50	3.00	3.00	4.00	5.00	5.00	8.00	4.00	50	62
85014	24	5,002	2.50	3.00	3.00	3.75	5.00	7.00	8.50	3.50	39	39
85014	25	4,803	2.50	3.00	3.50	4.00	5.00	6.00	9.00	3.50	21	33
85014	26	8,991	.30	3.00	3.00	4.00	5.00	6.00	8.75	3.00	6	38
85014	27	1,954	2.50	2.60	3.75	4.00	5.00	6.00	7.00	3.75	17	48
85014	28	10,762	1.00	2.60	3.00	4.00	5.00	5.00	8.50	3.50	33	39

LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST CHARGE AMOUNT	MIN PCTILE	MAX PCTILE	LEVEL
85018	01	1,067	2.50	3.00	4.00	4.10	5.00	6.00	8.00	3.50	16	17	
85018	02	1,570	3.00	3.00	3.75	4.00	4.00	5.50	9.25	3.75	21	44	
85018	03	1,977	3.00	3.50	4.00	4.00	4.25	5.00	8.00	4.00	15	71	
85018	04	4,361	2.50	3.00	3.00	3.50	4.00	5.00	8.00	3.40	34	41	
85018	05	2,192	2.50	2.50	3.00	3.50	4.20	5.00	6.00	3.00	18	41	
85018	06	1,797	3.00	3.50	4.00	5.00	5.00	5.50	9.00	4.00	25	40	
85018	07	6,991	2.50	3.00	4.00	5.00	6.00	6.00	9.00	4.00	19	36	
85018	08	2,031	2.50	3.00	3.25	5.00	5.25	6.75	8.00	5.00	47	73	
85018	09	3,252	2.50	2.50	3.00	4.50	5.00	5.00	9.00	4.00	27	48	
85018	10	2,556	2.50	3.50	4.00	5.00	5.00	6.00	7.00	4.00	12	47	
85018	11	2,700	2.50	3.50	4.00	4.00	4.00	5.00	8.00	4.00	15	88	
85018	12	1,965	2.50	3.00	3.00	3.50	5.00	5.00	7.00	3.00	1	28	
85018	13	668	2.50	3.50	4.00	5.00	5.00	5.25	6.00	4.00	20	49	
85018	14	1,201	3.50	3.50	4.10	4.80	5.00	6.10	8.00	4.80	36	56	
85018	15	2,151	2.50	3.25	4.00	4.00	5.00	7.75	8.00	4.00	15	52	
85018	16	1,657	2.50	3.00	4.00	5.00	5.50	6.00	7.00	3.00	2	22	
85018	17	3,143	2.50	3.00	3.00	4.00	5.00	8.00	8.00	4.00	44	52	
85018	18	5,004	2.50	3.00	3.00	3.00	4.00	5.00	9.00	3.00	2	57	
85018	19	6,355	2.50	3.00	4.00	5.00	5.25	6.00	8.00	4.00	23	44	
85018	20	5,571	1.00	3.00	4.00	5.00	5.00	6.00	8.00	4.00	17	48	
85018	21	5,016	.80	3.00	4.00	4.00	5.00	5.50	8.00	4.00	19	58	
85018	22	2,362	2.75	3.50	4.80	4.80	5.50	6.00	8.50	4.00	10	22	
85018	23	6,268	2.50	3.00	3.00	3.00	5.00	6.00	9.00	3.00	1	54	
85018	24	6,293	2.50	3.00	3.00	4.00	5.00	8.00	8.50	3.75	33	44	
85018	25	5,345	2.50	3.00	3.50	4.50	6.00	6.00	9.00	4.00	33	43	
85018	26	8,916	.30	3.00	3.00	4.00	4.50	6.00	9.00	3.00	9	41	
85018	27	1,602	2.50	2.50	3.75	4.00	6.00	6.00	8.00	2.00		12	
85018	28	10,698	1.00	2.50	2.60	3.50	5.00	5.00	8.00	3.00	27	42	

LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO	TOTAL SERVICES	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST AMOUNT	CHARGE MIN PCTILE	LEVEL MAX PCTILE
85031	01	3,213	7.00	7.50	8.00	8.00	11.00	12.00	15.00	9.00	56	57
85031	02	1,114	6.00	8.00	11.50	12.00	13.50	13.50	13.50	12.00	29	54
85031	03	3,402	7.50	9.00	10.50	12.00	13.00	13.25	18.00	10.25	12	25
85031	04	7,486	6.50	9.00	10.00	10.00	11.00	13.00	15.00	10.00	15	56
85031	05	9,543	6.50	8.00	8.00	8.50	9.50	10.00	16.00	8.00	7	37
85031	06	6,108	8.00	8.50	9.00	10.00	11.50	12.50	14.50	9.25	29	33
85031	07	15,713	7.00	9.00	9.25	11.00	12.00	13.00	18.00	10.00	26	41
85031	08	5,321	8.00	9.00	9.00	10.00	12.00	12.00	20.00	10.00	33	50
85031	09	5,235	7.00	9.00	9.50	10.50	12.50	12.50	16.00	9.50	24	41
85031	10	4,046	6.00	9.00	10.00	12.00	12.00	15.00	15.00	10.00	16	47
85031	11	7,292	7.00	10.00	10.00	11.00	12.00	12.00	12.00	10.00	4	32
85031	12	3,086	6.00	7.20	9.00	9.00	10.00	11.00	12.00	9.00	24	55
85031	13	4,812	7.00	9.00	10.00	10.00	10.00	10.00	12.00	10.00	10	100
85031	14	7,313	9.00	10.00	10.80	12.40	14.00	14.00	18.70	10.00	7	19
85031	15	7,406	6.00	8.00	9.00	10.00	11.00	12.00	15.00	10.00	35	65
85031	16	10,559	7.00	9.00	11.00	12.50	14.00	14.00	20.00	8.00	1	6
85031	17	6,660	6.70	8.00	9.20	10.00	12.00	12.60	16.00	8.00	8	10
85031	18	14,822	6.00	7.00	7.50	8.00	10.00	11.00	15.00	7.00	5	21
85031	19	20,676	6.00	7.00	8.00	10.00	12.00	12.50	20.00	8.00	16	29
85031	20	38,489	6.00	6.90	8.00	10.00	11.00	12.00	16.00	8.00	24	31
85031	21	19,057	6.00	7.80	8.00	9.50	10.00	12.00	16.00	8.40	32	33
85031	22	14,930	6.00	8.00	8.50	10.00	12.00	12.00	16.00	8.00	10	21
85031	23	26,709	6.00	6.20	8.50	10.00	15.00	15.00	18.00	8.00	16	24
85031	24	31,405	6.00	6.90	8.00	10.00	10.00	11.00	20.00	7.00	11	17
85031	25	50,385	6.00	8.00	10.00	10.00	12.00	13.00	20.00	10.00	21	62
85031	26	26,516	6.00	8.00	8.00	10.00	10.00	11.00	18.25	9.00	34	42
85031	27	13,225	6.00	9.00	10.00	10.00	10.00	12.00	15.00	9.50	19	22
85031	28	41,959	2.30	7.75	9.00	10.00	11.00	13.00	18.00	9.50	34	38

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST AMOUNT	CHARGE MIN PCTILE	LEVEL MAX PCTILE
85048	01	374	2.80	3.00	3.00	4.50	5.00	5.00	8.00	4.40	34	55
85048	02	738	3.00	4.00	4.00	4.00	5.00	5.00	7.50	4.00	10	53
85048	03	383	3.00	3.50	4.00	5.00	5.00	5.00	7.00	3.95	22	32
85048	04	613	2.50	2.50	3.00	3.40	4.00	4.75	5.30	3.40	35	58
85048	05	202	2.50	2.50	4.00	4.00	4.75	4.75	6.00	3.00	11	16
85048	06	237	3.50	3.50	4.00	4.00	5.00	5.00	9.50	4.00	14	51
85048	07	912	3.00	3.50	4.00	5.00	5.00	6.10	8.00	4.25	28	29
85048	08	766	3.00	3.00	3.50	4.00	5.00	5.25	6.00	5.00	57	88
85048	09	2,433	2.50	2.50	3.50	3.50	4.00	4.50	6.00	3.50	22	71
85048	10	373	3.00	3.00	4.00	4.00	5.00	6.00	6.00	3.00		16
85048	11	251	3.00	3.50	4.00	4.00	4.00	4.00	7.50	4.00	13	54
85048	12	633	2.50	3.00	3.00	3.50	5.00	5.00	5.00	2.00		2
85048	13	131	3.00	3.50	3.50	4.00	5.00	5.00	5.00	5.00	53	100
85048	14	148	3.80	3.80	4.40	5.00	5.00	5.50	9.00	5.00	49	87
85048	15	1,073	3.00	4.00	4.00	4.50	5.00	5.00	5.40	4.00	5	41
85048	16	620	2.50	3.00	3.00	4.00	5.00	6.00	8.00	3.00	7	31
85048	17	3,463	3.00	5.00	5.25	7.00	7.00	7.00	7.00	6.00	25	25
85048	18	2,611	3.00	3.00	3.00	3.00	3.00	4.50	9.00	3.00		85
85048	19	2,425	2.50	4.20	5.25	5.25	5.25	6.00	9.00	5.00	13	24
85048	20	956	1.00	3.00	4.00	5.00	6.00	6.00	8.00	3.35	19	33
85048	21	1,907	.60	4.00	4.00	4.00	4.00	5.00	8.00	4.00	4	76
85048	22	5,354	3.00	4.00	4.00	4.00	4.00	4.80	8.50	4.00	3	79
85048	23	1,826	2.50	3.00	3.00	5.00	5.00	5.00	7.25	5.00	39	93
85048	24	1,112	3.00	3.75	3.75	5.00	8.00	8.00	8.00	3.75	6	35
85048	25	2,346	2.50	3.00	4.00	6.00	6.00	6.00	8.00	4.00	23	29
85048	26	3,894	.30	2.50	3.30	4.00	4.00	5.00	8.00	4.00	39	81
85048	27	252	2.50	2.50	3.00	4.00	4.00	7.00	7.50	2.00		13
85048	28	5,468	1.00	2.50	2.50	3.00	4.00	5.00	8.50	3.00	27	54



TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	PERCENTILE				90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST CHARGE		LEVEL MAX PCTILE
				10TH	25TH	50TH	75TH			AMOUNT	MIN PCTILE	
85610	01	2,733	5.00	5.00	5.00	6.00	7.80	8.00	10.00	5.00		34
85610	02	5,335	4.00	6.50	7.00	7.00	8.00	8.50	9.50	7.00	17	53
85610	03	1,643	6.00	6.00	6.50	7.00	8.75	10.00	12.00	6.00		13
85610	04	10,362	4.00	5.75	5.75	6.00	6.50	8.00	10.00	6.25	73	74
85610	05	2,462	4.30	5.00	6.00	7.00	8.00	9.00	10.00	5.25	16	47
85610	06	5,353	4.25	6.00	6.00	6.00	8.00	9.00	10.50	6.00	1	53
85610	07	9,575	4.00	5.75	6.25	7.00	7.50	8.00	12.00	6.50	27	38
85610	08	2,592	5.00	5.25	6.50	6.90	7.00	7.40	10.00	7.00	60	87
85610	09	7,776	4.00	6.00	6.00	6.00	7.50	8.00	10.00	6.00	9	65
85610	10	4,305	4.00	6.00	7.00	7.50	8.00	8.75	12.00	7.00	20	43
85610	11	4,242	5.00	6.00	7.00	7.20	7.50	8.00	9.50	7.00	22	49
85610	12	3,868	4.50	5.50	5.60	6.00	7.00	7.00	8.00	6.00	27	51
85610	13	2,394	5.00	6.00	6.00	6.50	7.00	7.00	8.00	6.00	6	48
85610	14	3,415	5.75	6.70	7.00	8.00	9.00	11.00	12.00	7.00	11	35
85610	15	6,814	5.00	5.00	6.00	7.00	8.00	9.50	10.00	6.00	18	41
85610	16	8,134	5.00	6.00	7.00	7.80	9.00	9.25	12.00	7.00	19	32
85610	17	4,665	5.00	8.00	8.00	8.50	9.00	10.00	12.00	8.50	44	58
85610	18	10,488	4.00	5.00	5.50	5.50	7.00	7.50	15.00	5.50	16	53
85610	19	9,977	4.00	5.00	6.00	7.00	7.00	8.00	13.00	5.50	18	23
85610	20	16,274	2.00	6.00	6.70	7.00	8.00	10.00	13.00	6.55	23	34
85610	21	11,484	1.70	4.00	6.00	7.00	9.00	10.00	12.00	6.50	28	31
85610	22	4,548	4.00	5.00	6.50	7.50	8.00	10.00	15.00	6.50	16	41
85610	23	12,172	4.00	4.50	6.00	7.50	8.00	10.00	15.00	7.00	30	48
85610	24	12,134	4.00	6.00	6.00	6.50	8.00	8.00	15.00	6.50	31	52
85610	25	13,997	4.00	5.00	7.00	8.00	10.00	11.00	15.00	8.00	35	52
85610	26	17,066	1.30	5.00	6.00	6.00	7.50	8.00	12.00	6.00	16	52
85610	27	5,891	4.00	5.00	6.00	7.00	7.00	10.00	14.00	6.00	22	39
85610	28	22,738	1.50	2.00	5.50	6.75	7.50	8.10	13.00	6.50	38	48

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRO SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST CHARGE AMOUNT	MIN PCTILE	MAX PCTILE	LEVEL
85650	01	3,336	3.50	4.00	4.50	4.50	6.00	6.80	12.50	4.00	5	23	23
85650	02	5,092	3.50	4.80	4.80	6.00	6.00	7.00	12.00	5.00	25	43	43
85650	03	3,087	3.50	3.75	5.00	6.25	7.00	7.50	10.00	6.50	58	61	61
85650	04	7,799	4.00	5.00	5.00	6.00	6.50	8.00	9.50	5.00	8	26	26
85650	05	10,535	3.50	4.00	4.20	5.00	7.00	8.00	9.50	5.00	41	54	54
85650	06	6,082	3.50	5.00	5.50	7.00	8.00	9.50	10.50	5.50	22	32	32
85650	07	11,785	3.50	5.00	5.00	6.25	8.00	9.00	11.50	5.50	30	31	31
85650	08	4,531	4.00	5.00	5.00	6.00	8.00	10.00	10.00	5.00	5	33	33
85650	09	9,520	3.50	5.00	5.00	5.00	6.00	6.50	9.50	5.00	10	62	62
85650	10	2,821	3.50	4.00	5.00	5.00	6.00	6.00	8.00	5.00	19	61	61
85650	11	3,694	3.50	5.00	5.00	6.00	6.50	6.50	10.00	5.00	9	43	43
85650	12	4,072	3.50	3.50	4.00	5.00	6.00	6.50	11.00	5.00	42	67	67
85650	13	4,002	4.00	4.00	5.00	5.00	8.00	8.00	8.00	5.00	23	62	62
85650	14	3,757	4.00	5.70	6.00	6.25	7.80	9.00	11.00	5.70	7	17	17
85650	15	3,049	3.50	4.00	4.00	6.00	6.25	8.00	12.00	5.00	27	47	47
85650	16	6,765	4.00	5.00	6.00	7.50	7.50	8.25	12.00	5.00	6	18	18
85650	17	2,244	3.60	4.00	5.00	5.40	7.00	8.00	10.50	5.00	18	32	32
85650	18	7,308	3.50	4.00	4.00	5.00	6.50	8.00	10.00	4.00	6	29	29
85650	19	7,757	3.50	4.00	4.50	5.00	6.00	8.00	12.00	4.50	23	43	43
85650	20	21,077	1.00	4.80	5.00	5.70	6.25	8.00	11.50	5.00	13	37	37
85650	21	9,518	1.00	3.60	4.00	5.50	7.00	9.00	10.00	5.00	26	39	39
85650	22	9,207	3.50	5.00	6.00	6.40	7.50	8.00	12.00	5.00	3	12	12
85650	23	23,318	3.50	3.90	4.00	7.00	7.50	10.00	12.00	4.00	25	26	26
85650	24	30,767	3.50	4.00	5.00	5.00	6.00	8.00	13.00	4.75	18	18	18
85650	25	24,751	3.50	4.00	5.00	6.00	7.00	8.00	12.00	6.00	28	59	59
85650	26	18,123	.50	4.00	5.00	5.25	6.50	7.00	11.00	5.00	24	46	46
85650	27	7,634	3.50	4.00	6.00	6.00	8.00	8.00	10.00	5.00	16	21	21
85650	28	27,202	1.00	4.00	4.50	5.75	6.50	7.50	12.00	5.00	26	42	42

TABLE 15
LEVEL I PERCENTILES AND LOWEST CHARGE LEVELS
SELECTED PATHOLOGY PROCEDURES 1980

PROCEDURE	PSRD	SERVICES	TOTAL	MINIMUM LEVEL I	10TH PERCENTILE	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE	90TH PERCENTILE	MAXIMUM LEVEL I	LOWEST CHARGE	
											AMOUNT	MIN PCTILE
88150	01	1,480	6.50	8.00	9.00	10.00	10.00	10.00	14.00	8.00	8	18
88150	02	2,337	6.50	10.00	11.00	12.00	12.00	15.00	15.50	4.50		2
88150	03	2,991	7.00	7.00	7.00	7.50	7.50	8.50	20.00	7.00		59
88150	04	3,262	6.50	7.50	7.50	8.50	8.80	8.80	16.00	6.50		1
88150	05	6,202	6.50	8.00	8.50	8.50	9.00	9.00	17.50	7.00	4	5
88150	06	2,215	6.80	8.00	8.00	9.50	10.00	10.00	12.50	5.00		1
88150	07	6,807	6.30	6.70	7.00	10.50	12.00	12.00	20.00	7.00	16	31
88150	08	987	6.50	7.00	7.00	10.50	12.00	12.00	14.50	7.50	26	49
88150	09	5,356	6.50	6.50	7.00	9.00	10.00	10.00	20.00	6.50		12
88150	10	4,945	6.50	7.00	7.00	7.00	8.00	8.00	20.00	7.00	1	84
88150	11	660	6.50	7.00	7.50	7.80	12.00	12.00	12.00	7.60	69	75
88150	12	2,352	6.50	7.00	7.00	8.50	9.50	9.50	22.75	7.50	46	67
88150	13	774	7.50	7.50	7.50	9.00	9.00	9.00	20.00	9.00	57	98
88150	14	245	7.00	8.00	8.80	10.00	10.00	10.00	15.00	8.50	11	17
88150	15	512	6.50	7.50	7.50	10.00	10.00	12.00	20.00	6.00		5
88150	16	1,350	6.50	7.00	7.00	8.50	8.50	10.00	18.00	7.00	4	44
88150	17	820	7.00	9.00	10.00	10.50	15.00	15.00	20.00	5.00		2
88150	18	1,935	6.50	7.50	8.00	12.00	12.00	12.50	20.00	8.00	22	27
88150	19	1,058	7.00	7.00	8.10	10.00	10.00	13.00	20.00	7.00		12
88150	20	7,810	6.50	6.50	6.50	7.50	8.50	12.00	20.00	7.00	48	50
88150	21	3,908	7.00	9.00	9.00	10.00	12.00	15.00	22.00	7.50	1	2
88150	22	1,139	7.00	8.00	8.50	10.00	11.00	12.00	20.00	7.00		10
88150	23	3,060	7.00	7.00	10.00	12.00	15.00	16.00	20.00	7.00	3	11
88150	24	2,865	7.00	10.00	11.20	15.00	15.00	15.00	20.00	7.50		4
88150	25	2,520	7.00	8.00	9.00	10.00	12.50	15.00	20.00	7.00		1
88150	26	9,749	7.00	7.00	8.40	12.00	12.00	15.00	22.00	6.00		10
88150	27	1,735	6.50	7.00	7.00	8.00	11.00	12.00	22.00	7.70	50	54
88150	28	8,600	6.25	7.00	7.00	7.00	7.00	10.00	20.00	5.00		

the minimum customary charge represented less than one percent of total services.

The effect of the LCL is variable across procedures and profile areas, ranging from highly restrictive to completely non-restrictive. A first glance would seem to indicate that the LCL was very restrictive since it frequently begins to constrain customaries well below the 25th percentile. However, closer scrutiny reveals that for those procedure - PSRO combinations where the LCL falls below the 25th percentile, the customary distribution is such that in most cases, the LCL also incorporates charges above the 25th percentile. For example, the lowest charge level of \$5.00 for procedure 85014 in PSRO 14 begins to constrain customary charges at the seventh percentile. However, the maximum LCL percentile reveals that \$5.00 includes customaries up to the 93rd percentile of services.

There are instances where the LCL is very restrictive, such as procedure 82465 in PSRO 17. The lowest charge level for this procedure in Ventura county (PSRO 17) was lower than 99 percent of the customaries. A similar situation occurs for procedure 84520 in San Mateo County (PSRO 6), and for procedure 88150 in PSRO 4.

There are cases at the other extreme, where the LCL has little impact. In the Santa Cruz, San Benito, Monterey area (PSRO 12) the lowest charge level of \$8.00 for procedure 84520 includes the 34th to 100th percentile of customary charges.

Obviously, a more direct measure of the impact of LCL regulations on program costs can be obtained by estimating program costs with and without lowest charge levels. Data were not available to derive these estimates for the year 1980. The most recent data available were claims data from January - March 1978. These data have been used to estimate the impact of LCL regulations on program and beneficiary costs. These estimates are presented in the following chapter.

IV. ESTIMATION OF PROGRAM AND BENEFICIARY COSTS, 1978

A. Data Base Description

The data used in this analysis were obtained from the two carriers in California: Blue Shield of California, the Medicaid Carrier for the entire state and Medicare carrier for forty-nine counties in northern California, and Occidental Insurance Company which processes claims for nine southern counties.

The file contains a five percent sample of all Medicare and Medicaid pathology claims paid during the first quarter of 1978, with the exception of those performed by hospital laboratories for inpatients. An extract of that file was made which contains claims for the twelve pathology procedures initially covered by LCL regulations. Each claim contains information on the provider, provider type, specialty, PSRO, location and number of services, claim type, billed and allowed amounts. The providers represented on the file include physicians, independent laboratories, clinics, and hospital outpatient departments.

Medicare services billed by a physician but performed by an outside laboratory were identified by a procedure modifier of 90 for Blue Shield claims.¹⁷ However, the lab which actually performed the service and the price charged to the physician were not identified on the claim. Therefore, the performing lab's customary and prevailing charges could not be identified, and the procedure modifier was not useful for our purposes. In addition, the previously noted questionable reliability of such designations prompted us to ignore procedure modifiers.

¹⁷. Occidental claims do not have modifiers, however, the location of service is identified.



According to staff members at California Blue Shield, prior to fee screen year 1978, the lab's prevailing was taken into account when determining the reasonable amount only when the lab was located in a different PSRO (and therefore had a different prevailing) than the billing physician. Beginning in fee screen year 1978 the lab's customary and prevailing charges were included with the physician's in the determination of the reasonable amount. Since our sample of claims include the average amounts allowed by Medicare and Medicaid, we can assume that the reasonable amounts were calculated including the customary and prevailing charges of both the physician and lab where applicable.

For our purposes, claims are ascribed to a given provider type according to who billed for the service. All claims billed by physicians are counted as physicians' claims even though the test may have been performed by an outside lab. This approach is the most reasonable one given that it is the provider who actually bills for the service who is the final determinant of the amount billed. Since our main interest is in program and beneficiary costs rather than the location of the service, the billing party is of greater importance than the actual provider.

The claims files were aggregated into summary history files which contain one record for each provider-procedure combination. These files contain similar information to that found on the claims file.

B. Methodology

The 1978 five percent sample of pathology claims was used to calculate the change in program and beneficiary costs brought about by the lowest charge level regulations. Lowest charge levels were calculated for each combination of the 12 procedures and 28 PSRO's, using two methods. The first method involved a ranking of charges from claims paid during the first quarter of



1978 and the determination of the 25th percentile of those charges. These lowest charge levels were then adjusted to reflect the levels that would have been in effect in the first half of 1978.¹⁸ This method was rejected because estimates based on the five percent sample of claims yielded an insufficient number of charges to calculate reliable lowest charge levels in many PSRO's.¹⁹

The lowest charge levels used in this analysis were calculated by deflating the LCL's in effect the first half of 1980 by the percentage change in California physician pathology fees between 1977 and 1979. The growth in fees for that time period amounted to 1.1387. The adjusted lowest charge levels are presented in Table 16.

The lowest charge levels were appended to the summary history files from the 1978 claims data. Program and beneficiary costs were calculated as defined below.

18. It should be recalled that LCL's were not actually implemented until February 1979. LCL's in effect the first quarter of the calendar year would be based on charges from July-September of the previous year. Since the claims data we used are claims paid during January-March 1978, the LCL's calculated from these claims were adjusted to be applied to the determination of reasonable amounts in the first quarter of 1978. The adjustment factor was set at: $ADJFAC = EXP((\ln(\text{Level III}_{1980}) - (\ln(\text{Level III}_{1979})) \times .5)$. The Level III is an average dollar amount per unit coefficient for pathology procedures in a given PSRO. The 1978 lowest charge level was then divided by the adjustment factor. The adjustment factor was based on the changes in average pathology charges between 1977 and 1978 on claims submitted to Blue Shield and Occidental.

19. This occurred despite the establishment of a concordance between 1969 and 1974 procedure codes since numerous claims for the twelve procedures used the 1969 code rather than the 1974 code. Claims for eighteen procedures were thus used to calculate LCL's for twelve procedures. Even with this provision, there were some procedures in some PSRO's which were billed fewer than four times or by fewer than four providers.

Table 16

Calculated Lowest Charge Levels Applicable to
January-June 1978 Claims by Procedure and PSRO

PSRO	81000	82465	82947	84520	84550	85014	85018	85031	85048	85610	85650	88150
1	3.95	6.58	5.92	5.92	6.14	3.07	3.07	7.90	3.86	4.39	3.51	7.02
2	4.39	6.14	7.46	6.14	7.02	2.85	3.29	10.53	3.51	6.14	4.39	3.95
3	4.39	8.34	6.14	8.78	6.14	3.51	3.51	9.00	3.46	5.26	5.70	6.14
4	4.39	6.14	6.14	7.02	7.02	3.29	2.98	8.78	2.98	5.48	4.39	5.70
5	4.39	6.58	6.14	6.14	6.14	2.81	2.63	7.02	2.63	4.61	4.39	6.14
6	4.83	6.58	6.14	5.26	6.58	3.51	3.51	8.12	3.51	5.26	4.83	4.39
7	4.39	6.80	7.02	7.02	7.02	2.85	3.51	8.78	3.73	5.70	4.83	6.14
8	4.91	5.26	6.27	7.02	7.02	2.85	4.39	8.78	4.39	6.14	4.39	6.58
9	4.39	5.26	6.14	4.97	6.14	3.29	3.51	8.34	3.07	5.26	4.39	5.70
10	4.39	6.14	6.14	7.02	6.14	2.63	3.51	8.78	2.63	6.14	4.39	6.14
11	4.39	7.02	6.58	7.90	7.02	3.51	3.51	8.78	3.51	6.14	4.39	6.67
12	4.39	6.76	6.14	7.02	6.58	2.63	2.63	7.90	1.75	5.26	4.39	6.58
13	4.39	6.14	6.14	6.14	6.14	3.51	3.51	8.78	4.39	5.26	4.39	7.90
14	4.39	8.29	7.90	7.90	7.90	4.39	4.21	8.78	4.39	6.14	5.00	7.46
15	4.39	5.26	6.58	5.26	5.26	3.51	3.51	8.78	3.51	5.26	4.39	5.26
16	4.47	4.39	6.14	4.39	4.39	2.63	2.63	7.02	2.63	6.14	4.39	6.14
17	4.39	3.95	4.74	7.02	6.14	5.26	3.51	7.02	5.26	7.46	4.39	4.39
18	4.39	6.14	6.14	6.14	6.14	2.63	2.63	6.14	2.63	4.83	3.51	7.02
19	4.39	5.26	6.14	5.26	5.26	2.89	3.51	7.02	4.39	4.83	3.95	6.14
20	4.39	6.14	5.48	5.83	6.14	3.07	3.51	7.02	2.94	5.75	4.39	6.14
21	4.39	6.14	7.02	6.14	6.14	2.63	3.51	7.37	3.51	5.70	4.39	6.58
22	4.39	7.46	5.70	7.46	7.90	3.07	3.51	7.02	3.51	5.70	4.39	6.14
23	4.39	6.58	6.14	6.58	7.02	3.51	2.63	7.02	4.39	6.14	3.51	6.14
24	4.39	5.26	6.58	6.80	6.14	3.07	3.29	6.14	3.29	5.70	4.17	6.58
25	4.39	7.02	7.02	7.02	7.02	3.07	3.51	8.78	3.51	7.02	5.26	5.26
26	4.39	6.14	6.14	5.31	5.26	2.63	2.63	7.90	3.51	5.26	4.39	5.26
27	4.39	5.26	6.14	6.58	6.58	3.29	1.75	8.34	1.75	5.26	4.39	6.76
28	4.39	6.58	6.14	5.70	6.58	3.07	2.63	8.34	2.63	5.70	4.39	4.39

Table 17

Calculation of Program and Beneficiary Costs

Medicare Existing Program Cost	=	$(.8 \times \text{AAA}) \times \text{NS}$
Medicare New Program Cost	=	$(.8 \times \min(\text{AAA}, \text{LCL})) \times \text{NS}$
Medicare Existing Beneficiary Cost:		
Assigned Services	=	$(.2 \times \text{AAA}) \times \text{NS}$
Non-Assigned Services	=	$(\text{ABA} - (.8 \times \text{AAA})) \times \text{NS}$
Medicare New Beneficiary Cost:		
Assigned Services	=	$(.2 \times \min(\text{AAA}, \text{LCL})) \times \text{NS}$
Non-Assigned Services	=	$(\text{ABA} - (.8 \times (\min(\text{AAA}, \text{LCL}))) \times \text{NS}$
Medicaid Existing Program Cost	=	$\text{AAA} \times \text{NS}$
Medicaid New Program Cost	=	$(\min(\text{AAA}, \text{LCL})) \times \text{NS}$

where: AAA = average allowed amount
 ABA = average billed amount
 NS = number of services
 LCL = lowest charge level

C. Summary of Findings

Tables 18 through 22 present the impact of the LCL regulations on program and beneficiary costs. The impact of implementing LCL regulations described here precludes any behavioral adjustments which might transpire as a result of the policy change. The observed rates of physician acceptance of assignment and the number of services physicians are willing to supply to Medicare and Medicaid eligibles are assumed to remain constant. The impact of LCL regulations is therefore understated to the degree that such behavioral response would actually occur.

The twelve pathology procedures accounted for 43,415 Medicare services and 27,786 Medicaid services during the first quarter of 1978. However, since these service counts are based on a five-percent sample of claims for that period, in actuality approximately 356 thousand such services were provided to Medicare and Medicaid eligibles during the first quarter of 1978.

The most significant finding is that the lowest charge level was a constraining factor in 51.7 percent of all services billed to Medicare. (See

Table 18

Program and Beneficiary Costs by Selected Specialties
and Claim Type with Reasonables Computed
With and Without Lowest Charge
Levels, 1978

Medicare - All Claims Specialty	Number of Services	Program Cost			Beneficiary Cost		
		Without LCL	With LCL	Percent Change	Without LCL	With LCL	Percent Change
General Practice	6,528	\$27,526	\$25,054	-8.98	\$11,918	\$13,167	10.47
General Surgery	573	2,511	2,220	-11.56	1,075	1,222	13.65
Cardiovascular Disease	1,226	5,386	5,033	-6.57	2,873	3,095	7.71
Family Practice	1,782	7,748	7,023	-9.36	3,409	3,766	10.47
Internal Medicine	11,421	52,281	48,091	-8.02	24,787	27,117	9.40
Gynecology	292	1,243	1,064	-14.50	584	713	22.02
Pathology	759	1,869	1,734	-7.22	500	475	-5.10
Urology	3,067	11,061	10,140	-8.33	4,277	4,769	11.51
Independent Lab	12,717	55,574	52,216	-6.05	20,017	21,111	5.46
Clinic	4,570	22,343	19,644	-12.08	9,691	10,972	13.21
TOTAL ALL SPECIALTIES	43,415	\$189,776	\$174,239	-8.19	\$80,078	\$87,470	9.23

Table 19

Program and Beneficiary Costs by Specialty
and Claim Type with Reasonables Computed
With and Without Lowest Charge
Levels, 1978

Medicare - Non Assigned Specialty	Number of Services	Program Cost			Beneficiary Cost		
		Without LCL	With LCL	Percent Change	Without LCL	With LCL	Percent Change
General Practice	3,737	\$15,888	\$14,395	-9.40	\$9,009	\$10,501	16.56
General Surgery	359	1,524	1,349	-11.51	828	1,003	21.16
Cardiovascular Disease	935	4,067	3,819	-6.10	2,543	2,792	9.75
Family Practice	1,111	4,752	4,322	-9.06	2,660	3,090	16.18
Internal Medicine	8,035	36,244	33,542	-7.46	20,777	23,479	13.00
Gynecology	183	820	681	-16.95	478	617	29.05
Pathology	58	186	179	-3.55	79	86	8.29
Urology	1,988	7,127	6,549	-8.11	3,293	3,871	17.54
Independent Lab	5,610	24,525	22,979	-6.31	12,255	13,801	12.61
Clinic	2,747	13,370	11,806	-11.70	7,448	9,012	20.99
TOTAL ALL SPECIALTIES	25,077	\$109,929	\$100,911	-8.21	\$60,116	\$69,134	15.00

Table 20

Program and Beneficiary Costs by Specialty
and Claim Type with Reasonables Computed
With and Without Lowest Charge
Levels, 1978

Medicare - Mandatory Assigned Specialty	Number of Services	Program Costs			Beneficiary Cost		
		Without LCL	With LCL	Percent Change	Without LCL	With LCL	Percent Change
General Practice	2,223	\$9,250	\$8,489	-8.24	\$2,313	\$2,123	-8.20
General Surgery	139	614	543	-11.69	154	136	-11.63
Cardiovascular Disease	132	617	552	-10.67	154	138	-10.66
Family Practice	518	2,283	2,063	-9.62	571	516	-9.59
Internal Medicine	2,053	9,635	8,686	-9.86	2,409	2,172	-9.83
Gynecology	76	290	260	-10.41	73	65	-10.36
Pathology	420	759	728	-4.05	190	182	-4.05
Urology	665	2,382	2,194	-7.90	595	549	-7.87
Independent Lab	5,609	24,738	23,255	-6.00	6,185	5,814	-6.00
Clinic	1,350	6,607	5,802	-12.18	1,652	1,451	-12.16
TOTAL ALL SPECIALTIES	13,294	\$57,111	\$53,042	-8.10	\$14,428	13,263	-8.08

Table 21

Program and Beneficiary Costs by Specialty
and Claim Type with Reasonables Computed
With and Without Lowest Charge
Levels, 1978

Specialty	Number of Services	Program Cost			Beneficiary Cost		
		Without LCL	With LCL	Percent Change	Without LCL	With LCL	Percent Change
General Practice	568	\$2,387	\$2,170	-9.12	\$597	\$543	-9.06
General Surgery	75	372	329	-11.58	93	82	-11.54
Cardiovascular Disease	159	701	661	-5.66	175	165	-5.65
Family Practice	153	713	638	-10.51	178	160	-10.46
Internal Medicine	1,333	6,402	5,863	-8.42	1,601	1,466	-8.41
Gynecology	33	134	122	-8.32	33	31	-8.30
Pathology	281	924	827	-10.56	231	207	-10.56
Urology	414	1,553	1,398	-9.97	388	350	-9.91
Independent Lab	1,498	6,311	5,982	-5.22	1,578	1,496	-5.20
Clinic	473	2,366	2,036	-13.95	592	509	-13.93
TOTAL ALL SPECIALTIES	5,045	\$22,136	\$20,286	-8.36	\$5,534	\$5,073	-8.34



Table 22

Program and Beneficiary Costs by Specialty
with Reasonables Computed With
and Without Lowest Charge
Levels, 1978

<u>Medicaid Specialty</u>	<u>Number of Services</u>	<u>Program Costs</u>		
		<u>Without LCL</u>	<u>With LCL</u>	<u>Percent Change</u>
General Practice	1,669	\$7,201	\$7,078	-1.73
General Surgery	106	470	464	-1.20
Family Practice	101	444	444	-.16
Internal Medicine	584	2,867	2,835	-1.10
Obstetrics-Gynecology	495	1,988	1,788	-10.06
Pediatrics	801	2,966	2,930	-1.23
Independent Lab	10,343	53,581	51,197	-4.45
Clinics	3,743	53,975	52,146	-3.39
Outpatient Departments	9,718	13,067	12,313	-5.77
TOTAL ALL SPECIALTIES	27,786	\$136,879	\$131,514	-3.93

Table 23) Conversely, the lowest charge level exceeded the average allowed amount for nearly 49 percent of all services billed to Medicare. It should be recalled that the lowest charge level, by definition, exceeds the billed charges for 25 percent of all services. This finding is also consistent with the 1980 percentile distribution of customary charges presented earlier which demonstrated that even when the LCL constrained at low levels within the distribution, e.g., 25th percentile, it frequently represented a wide range of the distribution. e.g., 25th - 60th percentile of customary charges. In addition, because of the time lag in calculating customaries and prevailings, the average allowed amount reflects charges which are as much as 18 months old, while lowest charge levels are more closely linked to current and presumably higher charges.

As expected, the LCL was even less of a constraint for Medicaid claims. The LCL was less than the allowed fee for only 15.1 percent of the total Medicaid services. Since the LCL is calculated using only Medicare claims, customaries and prevailings are lower in these cases because Blue Shield uses Medicaid fees in setting profiles. Generally, lower priced providers provide more services to Medicaid and Medicaid reimbursements are generally below those allowed by Medicare, so it is not surprising to find the Medicaid fee below the LCL in most instances.

As seen in Table 18, the large providers of services to Medicare eligibles were general practitioners, internists, urologists, independent labs and clinics. These five specialties provided 88 percent of the total services for those twelve procedures. The largest providers of Medicaid services were general practitioners, labs, clinics, and outpatient departments, accounting for 91.7 percent of the total services. Over half the total Medicare services (57.75 percent) were provided on a non-assigned basis, while 30.65 percent of

Table 23

Relationship of Average Allowed Amount and
Lowest Charge Level, by Program and
Claim Type, Twelve Procedures
1978

	Number of Services where AAA < LCL	Number of Services where AAA > LCL
<u>Medicare</u>		
All Claim Types	20,986	22,429
Non-Assigned	11,812	13,264
Voluntary Assigned	2,560	2,485
Mandatory Assigned	6,614	6,680
<u>Medicaid</u>	23,577	4,209
TOTAL	44,563	26,638

all services were provided to aged Medicaid recipients and the remaining 11.6 percent were provided on a voluntary assigned basis.

As a result of implementing LCL regulations, Medicare program costs declined by 8.19 percent, dropping from \$189,776 to \$174,239 for the sampled claims. Among the largest providers, reimbursements declined by 8.98 percent for general practitioners, 8.02 percent for internists, 8.33 percent for urologists, 6.05 percent for labs, and 12.08 percent for clinics. Gynecologists provided few services, but experienced the largest percentage decline in reimbursements, with a decrease of 14.5 percent. The average decline was very uniform across claim type, ranging only from 8.10 to 8.36 percent.

Program costs for non-assigned services declined by 8.21 percent. Internists were the largest providers of non-assigned services and program reimbursements to them declined by 7.46 percent. The second largest providers, independent labs, experienced a 6.31 percent decline in program revenues, while general practitioners' reimbursements dropped by 9.4 percent. Among the larger providers, clinics showed the greatest decrease in nonassigned revenues at 11.7 percent.

Voluntary assigned program revenues fell by 8.36 percent. The largest providers of voluntary assigned services, independent labs and internists, experienced revenue declines of 5.22 and 8.42 percent, respectively.

Medicare expenditures for joint beneficiaries declined by 8.10 percent. As expected, independent labs were the largest providers of mandatory assigned services. Lab revenues from such claims were reduced by six percent. General practitioners provided the next highest number of services and showed a revenue loss of 8.24 percent. Once again, clinics experienced the greatest decline among the high volume providers, (12.18 percent).

The decline in Medicare expenditures for joint beneficiaries was of course matched by an 8.1 percent decline in Medicaid expenditures for that group. Beneficiaries treated on a voluntary assigned basis, similarly experienced a 8.34 percent decline in their liability for services.

However, the 8.21 percent decline in program expenditures for non-assigned claims corresponded to a fifteen percent increase in beneficiary liability. The cost borne by patients with claims for which assignment was refused, increased from \$60,116 to \$69,134. As shown in table 20 those receiving services at clinics bore expenditure increases of nearly 21 percent, while general practitioner's claims reflected an increased beneficiary burden of 16.56 percent. Patients of internists, urologists and independent labs showed expenditure increases in the range of 13-18 percent. Thus, over half of the Medicare services provided for the twelve pathology procedures involved a substantial increase in beneficiary liability, ranging from 8.29 percent to 29.05 percent.

As one would expect from the previously noted low percentage of Medicaid services constrained by the lowest charge level, Medicaid program expenditures declined less than Medicare expenditures. Overall, expenditures on behalf of non-aged Medicaid eligibles declined by 3.93 percent. Outpatient departments, clinics, and independent labs, which accounted for 85.7 percent of all services,²⁰ experienced revenue declines of 5.77, 3.39, and 4.45 percent, respectively. General practitioners, the fourth largest providers of services, experienced revenue declines of 1.73 percent. Pediatricians' revenues declined by 1.23 percent.

20. It should be recalled that in 1978, physicians were not permitted to bill Medicaid for services performed by an outside lab.

V. SUMMARY AND CONCLUSION

This paper has presented an analysis of the impact of lowest charge level regulations on the Medicare and Medicaid programs as applied to twelve pathology procedures in the State of California. Data on customary and prevailing charges and pathology claims data were utilized in this analysis.

The relationship of lowest charge levels to customary and prevailing charges in 1980 was presented. It was found that lowest charge levels were more constraining to prevailing charges than customaries, with the lowest charge level frequently greater than the average customary charge. No discernable pattern could be identified with regard to the impact of lowest charge levels by area or specialty. No specific geographic area or specialty was affected more or less severely than any other.

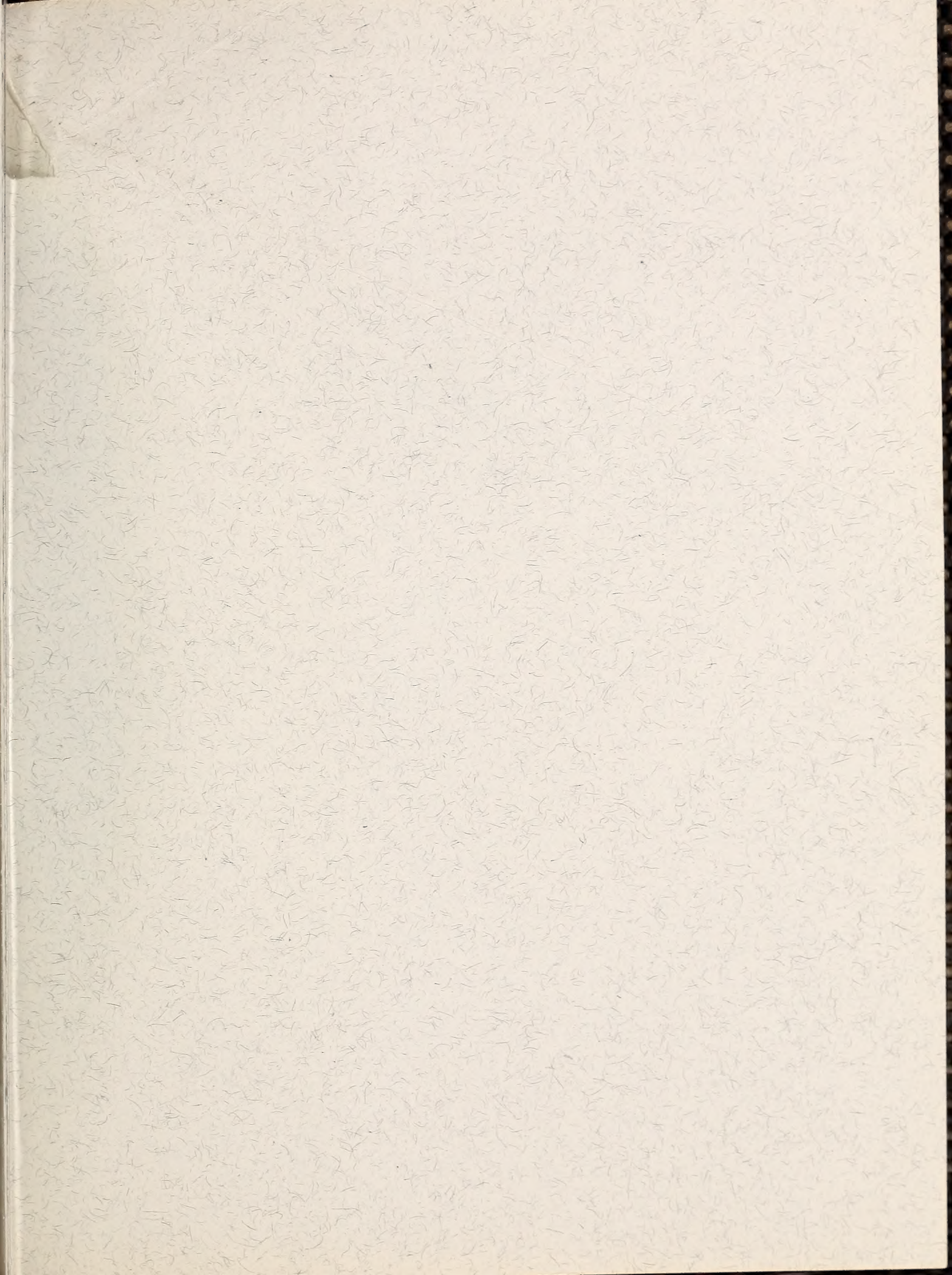
This was confirmed by our examination of the customary charge distribution. The LCL was found to have a variable impact across procedures and areas, ranging from very restrictive to non-restrictive. It was shown that in many cases where the lowest charge level began to constrain at the lower end of the customary charge distribution, the distribution was such that the lowest charge level incorporated charges at the higher end of the distribution as well.

Our estimates of the cost savings which would have been attributable to implementation of LCL regulations in the first quarter of 1978 amounted to approximately 8 percent of total Medicare reimbursements. Medicaid cost savings would have been lower, with reductions of 3.9 percent for non-aged recipients and 8.1 percent for joint beneficiaries. It should be recalled that these estimates excluded the impact of behavioral changes on program and beneficiary cost. Physician participation and assignment rates are assumed to remain unaffected by the program change.

Medicare non-assigned services accounted for over one-half of all Medicare services in the first quarter of 1978. Patients receiving non-assigned services would have experienced an increased liability of 15 percent as a result of LCL regulations.

Among the large volume Medicare service providers, clinics would have experienced the greatest decline in program revenues, with a 12.08 percent drop. Independent labs, the largest single provider to both Medicare and Medicaid, would have experienced revenue declines on the order of 4 percent under Medicaid and 6 percent under Medicare.

The lowest charge levels were seen to have a restraining influence during 1978, with reasonable amounts exceeding the LCL's for 51.7 percent of all services. We can state somewhat less conclusively, that the constraint was still in force by 1980, although numerous instances of average customary charges below the lowest charge level remained in evidence.



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